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OF
POLITICAL AND SOCIAL SCIENCE.

IN MEMORIAM.

FRANCIS AMASA WALKER.

Francis A. Walker died suddenly at his home in Boston, January 5, 1897. He had won distinction in many fields. As a soldier, as a public servant, as a teacher or as an author, he was known to thousands to whom the news of his death was at the same time a shock and a grief. To his friends it brought a keen sense of personal bereavement. His sudden death in the midst of his activity, makes them feel more acutely the loss they have suffered, though as yet unable to realize fully its extent. A critical consideration of Dr. Walker's place as an economist, of his services to statistical and economic thought may be reserved for a later day. Upon the morrow of his death, we would simply pay a grateful tribute to the genius which achieved such general recognition in so many fields of intellectual activity, and to the man whose dignified, yet frank and cordial personality, endeared him to his associates.

Francis A. Walker had just reached his majority when the war broke out. He immediately left his law books to take part in the great struggle. In the field he showed at once the qualities of an admirable soldier. Promotion followed rapidly and when the war closed it found him with the brevet rank of a brigadier-general.

He was a noble specimen of the citizen soldiers who shed so much lustre upon that eventful struggle. He performed his duty manfully, he earned an enviable place in the esteem and affection of his fellow officers, he returned from the field, and devoted himself with equal ardor and with equal distinction to the arts of peace. Apart from a certain decision of manner, a habit of dropping a subject completely when a decision had been reached, those who knew him in after life might have looked almost in vain for any traces of his former military career. Indeed, had it not been for the title which persistently clung to him, as it seemed, against his wish, many would never have surmised that the man of science or the man of affairs had won renown upon the field of battle. In an intercourse, extending over several years, the writer has frequently noted with some surprise, how little that splendid service in the army entered into his daily life and conversation. At rare intervals there was a brief reminiscence of those events—a few words of cordial and kindly appreciation of his fellow officers, and especially of his revered chief, General Hancock, upon whose staff Walker served as adjutant-general. But this was all. It was only with extreme reluctance that he could be drawn to speak of his own experiences. We of a generation to whom the war is history, and not even a memory, must perforce know of these things only by hearsay. But the testimony of those who knew General Walker in the field is singularly in accord with our personal reminiscences. They too speak of his habitual modesty, but they add glowing testimonies of his military genius. Bravery united with a keen intelligence to make him an excellent soldier. His fellow officers

relate many instances of his bravery and courage. Of his intelligence and understanding of military affairs, his unsurpassed military history, "The History of the Second Army Corps" brings evidence which all can comprehend.

At the close of the war he taught school for a time, and was a writer on the *Springfield Republican* but was soon called into the government service. Here he occupied the posts of Chief of the Bureau of Statistics of the Treasury Department, Superintendent of the Ninth (1870) Census, and for a brief period Commissioner of Indian Affairs. Ten years later he was Superintendent of the Tenth (1880) Census. His name will ever be associated with the extension and improvement of the statistical service of the United States Government. From small beginnings the United States Census had grown to be a vast undertaking. It had outgrown in 1870 the antiquated machinery which operating through the United States Marshals, officials engrossed by other duties, had been provided for it. It was General Walker's desire not only to improve the quality of the census, but to make it a complete record of the social and economic condition of the people. To this end he strove earnestly, but Congress refused its aid. He was therefore constrained to take the census of 1870 under an act which he knew to be highly defective, yet his talent as a statistician could not be suppressed. The four volumes of the Ninth Census are a distinct advance over their predecessors. In orderly arrangement and effective analysis they reveal a mind skilled in the use of statistical data.

The Tenth Census was peculiarly Walker's creation. For though he resigned his office in 1881, and left the completion of the work to others, it was he who laid the plans of the enumeration, and conducted it through its early stages. Congress had listened to his plans and passed an act which extended the scope of the census and reorganized its machinery. Thus equipped he made the census the most exhaustive statistical inquiry which had ever been under-

taken by any government. Its twenty-four volumes are a vast mine of information from which may be drawn precious materials for the study of our social and economic conditions.

From 1873 to 1889, Dr. Walker was professor of political economy at the Sheffield Scientific School of Yale University, and it is to this period that we owe some of his most important works. When in 1881 he returned to academic life it was no longer as a teacher, but as president of the Massachusetts Institute of Technology. He found it poorly equipped and struggling for existence. His administration leaves it in the foremost rank of technical schools. If at this time he left the class-room it was only to find a larger audience in the public. His contributions to economic science did not cease, but he worked chiefly through the printing press and the various societies devoted to economic research. For many years he was president of the American Economic Association, and he did more than any one else to direct its labors in fruitful fields. Till the day of his death he was president of the American Statistical Association, whose labors have been more modest, but not less helpful, to the smaller body of students who have devoted themselves especially to this field of research. Indeed, on the last day of the old year, he made the opening address at the session of the Washington branch of that organization, an address marked by lucid statement and vigorous thought.

It would be tedious to recite the names of learned societies at home and abroad which have delighted to do him honor, or to name the universities which have heaped honorary degrees upon him. It would furnish but another evidence of the universal recognition of his worth and services.

His services to economic science in America are not contested. He gave new life to the study of economics. He interpreted the maxims of economic science in the language of to-day. In his hands economics became a real thing, no longer a disregarded adjunct of moral philosophy. These

services will long be gratefully remembered. It must be left to others to make a complete statement of them.

After his services have been narrated, those who knew Dr. Walker personally must still feel that much is yet unsaid. In their recollections, the charm of a delightful personality stands out as vividly as the clear judgment, the sound common sense, the terse and vigorous sentences which marked his conversation. Always open-hearted and approachable, his kindly manner left an ineffaceable impression upon younger men, who found at once stimulus and encouragement in their intercourse with him. It was this generous consideration for others which with his natural dignity made him an ideal presiding officer. It was this cultured affability which won for him innumerable friends who unite in praising the man as well as his works. His friends are to be found in all walks of life, for not only did the varied activities of President Walker bring him into relations with many men, but the lively human sympathies of his nature at once found a point of contact with all. For while a teacher and a man of science, he never became one whit less a man of the world, actively interested in humanity's daily concerns. Indeed his studies were intensely practical, an outcome of the living problems of the world about him.

With Dr. Walker the most prominent figure among American economic teachers has passed away. He has indeed built for himself the most fitting monument to his memory. For he has left behind him a noble series of works in which a vigorous and easy style, a clear intelligence and a strong humanity will continue to do him honor. Other memorials will be erected to his name which will not be forgotten. In these lines it has been our wish to express briefly our profound esteem for this distinguished scholar, and our sense of loss in his death, which will be keenly felt by our Academy.

R. P. F.

January, 1897.

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THE CONCENTRATION OF INDUSTRY, AND MACHINERY IN THE UNITED STATES.*

Large industries in America show a strong tendency to concentration. The fact is one of familiar observation, while innumerable and incontestable proofs are to be found in statistics. The multiplication of the number and power of machines, the improvement of the means of transportation, the growth of capital are the three principal causes of this evolution. They are well known and need not be insisted upon.

I propose in this paper to direct attention to the part which the spirit of invention and the characteristics of the laboring classes have taken in this development, and to consider the attitude of the laboring classes and of the entrepreneur to the problems which this transformation has called forth. The inventive genius and the enterprising spirit of Americans are among the causes of the great development of machinery. A few years ago, Mr. Jacob Schoenhof said in his interesting volume upon "The Economy of High Wages,"†

"If one has made it an object to examine the tools and other automatic machinery and the working methods in the metal and machine industries of this country and has made parallel observations in Europe, he can hardly help speaking with admiration of the genius of our people, who, impelled by causes already discussed, have worked from the most difficult beginnings into fields never trodden before, where a tariff could hinder, but could never help."

There is no country where, in spite of the system of preliminary examination, more patents are applied for and granted than in the United States. In 1890 there were 41,048

* This paper is an extract from one of the chapters of my work, "*L'ouvrier américain*," now in press.

† P. 224.

applications and 26,292 inventions.* In the same year there were 7634 in France. From 1837 to 1895 there have been 950,855 applications for patents and 543,956 patents granted. Carriages, wagons, stoves, furnaces, reapers, lamps, and shoes have been the principal subjects of these inventions.

Patents do not always represent inventions peculiar to the United States, since many are imported. Americans are prompt to seize every novelty and like to believe that it is their own. The system of preliminary examination seems to give them greater security than the French system. They are none the less authors of many beautiful inventions, particularly in machinery and in electricity, where they properly are considered masters. They are also very prompt to take out a patent for the slightest appliance, if it is only to have it bought by others. †

The desire to diminish human effort by mechanical processes is shown in small as in large things. In the large dwellings and factories of recent construction, the elevator replaces the stairway; most merchants and many private persons conduct their correspondence by machinery. The use of the telephone is much more general than in France.

Two minor matters showed me at once on my arrival in New York, how widespread was the desire to save labor. I saw the tracks of a street railway being sanded. The wagon for this purpose contained, besides a driver, only one workman who held a lever, opening and closing a

*The number has doubled in twenty years as seen by the following table:

PATENTS IN THE UNITED STATES.		
Year.	Applications for Patents.	Patents Granted.
1850	2,193	993
1860	7,653	4,084
1870	19,171	13,333
1875	21,638	14,837
1880	23,013	13,947
1885	35,717	24,233
1890	41,048	26,292
1894	38,439	20,867

† See Atkinson, Tenth Census. Report on Cotton Manufactures, p. 10.

vent through which the sand flowed like water through a watering-pot. On the elevated railroad trains, where the stops are very brief, I observed that the brakeman held a lever which opened and closed the gates automatically. I was recently at Berne with an American, the inventor of an ingenious machine for the analytical tabulation of statistical bulletins. He was looking at a large wheel, which was turned by four men, like squirrels in a cage, for raising the material used in the erection of a large building, and could not conceal his astonishment. He was sorry he did not have a camera, "for," he said, "in America they would not believe me if I told them of it."

The American nation has great confidence in its inventive genius as well as in the superiority of its civilization. *L'Économiste Français* * some time ago reproduced a passage from a mining journal of Montana, which, endeavoring to prove that the United States could adopt the free coinage of silver without the co-operation of Europe, said, "we are the first nation of the world. It is to our inventive genius that the world owes its steamboats, telegraphs and telephones. Without us Europe would return to the barbarism of the Middle Ages." This sentiment, which attests the national pride rather than the erudition of the author, is found very often in print and in conversation; discreetly among those who have studied or visited the Old World, boastfully in the mass of the people and in the newspapers, especially those of the far West. I remember having seen at the Exposition at Philadelphia in 1876, a picture in sixteen sections representing episodes in the history of civilization: in the first compartments, man terrified by the lightning, by a religious superstition, by feudal tyranny, and by the Inquisition; that was the part of the Old World; in the last, Franklin and his kite and Professor Henry of Washington constructing a telegraph apparatus (nothing, by the bye, for Ampère), this was the part of the New World.

* Issue of October 12, 1895.

Success intoxicates, and this young nation has grown so much within a century that it is excusable in thinking that nothing equals its greatness.

The inventive genius of the American is perhaps a native gift, but it has been unquestionably stimulated by the high rate of wages. For, the entrepreneur seeks to economize human labor the more it costs him. On the other hand, when machinery gives greater productive force to the laborer it is possible to pay him more. An addition of one franc divided among one hundred units of product, only increases the price of the unit one centime. Distributed among ten units, it would increase the price by ten centimes. If one offered to a manufacturer a machine costing 50,000 francs, which replaced four laborers, but which he must amortize in ten years, the manufacturer, in a country where the wages were 2000 francs annually, would not hesitate to buy it, because it would give him a saving of 3000 francs, while the manufacturer in a country where wages were 1000 francs * would not take it because it would cause him a loss of 1000 francs a year.

There can be no doubt that the machine has rendered production more rapid and more abundant. To demonstrate the advantage of the division of labor, Adam Smith took as an example a small pin factory, and calculated that while a single laborer working alone without machinery, could hardly make twenty in a day, ten laborers, each having a special occupation and combining their labors, manufactured more than 48,000 daily. Mr. Schoenhof, reverting to this illustration, has shown, in a factory of Massachusetts, where seventy machines in operation were tended by three laborers, a machinist and a boy, a production of 25,000 packages containing 7,500,000 pins, inserted in papers and ready

* The electrical tabulating machine of Mr. Hollerith was employed with economy and success for the Eleventh Census at Washington, where clerks received \$2 and \$2.50 per day. At Vienna and at Rome, where wages are much less, the experiments made were by no means so conclusive in regard to the economy realized.

for sale. One hundred years ago one boasted of making 4800 pins per person; to-day we make 1,500,000.*

The manufacture of nails, which has a certain analogy with that of pins, may be considered in detail. At the opening of the century they were already made in part by machinery, the Perkins machine having been invented in 1790 and patented in 1795. The laborer set the machine in motion with a foot and one hand, while he held with the other a rod of iron. It produced 200,000 nails a day, but a second operation was necessary for the head. In 1801, twenty-three patents for nail-making had already been granted in the United States. In 1835, there were many more, since mechanical nail-making had been developed and was pushing hand-made nails to the wall. The Perkins machine has been abandoned, because it produced too dearly. The same was true of the Ordione machine, which was succeeded by the Mellville-Otis machine which, in 1879, had yielded to the Reed machine.

But another machine, making nails from wire instead of rods, had made its appearance in 1851. However, the wire nail thus produced did not succeed until after the introduction of the three German machines in 1871, and did not compete with the cut nails until after 1882. In that year also the Bessemer steel began to compete with iron in the manufacture. To-day a laborer, instead of laboriously turning the machine himself, oversees eight machines without fatigue.†

In 1886, steel formed five per cent of the production; to-day it constitutes nearly the entire amount and the

* "The Economy of High Wages," p. 99.

† Some figures taken from the publications of the American Iron and Steel Association, show the progress and revolution which these inventions have accomplished. The production per kegs of one hundred pounds each, was

Year.	Cut nails.	Wire nails.	Total.
1856	1,824,000	. . . .	1,824,000
1873	4,024,000	. . . .	4,024,000
1886	8,160,000	600,000	8,760,000
1890	5,641,000	3,136,000	8,777,000
1893	3,048,000	5,042,000	8,090,000

quality has improved. If in the last ten years the production has not increased, the price has continued to fall. This fall appears to be enormous if we go back to the period of the Perkins machine. In fact, in 1818, a pound of nails cost from 18 to 37 cents;* in 1872, 5½ cents, and 1893, 2 cents.†

Mr. Carroll D. Wright furnishes numerous proofs of the productivity of machines.‡ In an agricultural implement factory in the West, 600 laborers produce as much as 2145 before the present machinery. In a gun factory, one man used to make the pieces of one gun a day, and now three men make the parts of 130 guns. Machines save 80 per cent of the labor in the manufacture of women's shoes; 66 per cent in the making of men's shoes. Furthermore, with the McKay machine, a laborer can finish 300 pairs of shoes where he formerly could make five at hand-work. A few years ago, a manufacturer made 500 dozen brooms per week, with seventeen good laborers; he now makes 1200 with nine laborers. A cotton weaver, with the handloom, used sixty to eighty threads a minute; the power-loom uses 180; while the laborer tends from two to ten looms, according to the nature of the product.

Mr. Schoenhof, who also gives many proofs of the productivity of machines, compares the nailmaker of the black country of England, who earns 2s. in fourteen hours, and the nailmaker of Pittsburg, who earns \$5 in ten hours.

"The English nailer," he says, "earns from 10s. to 12s. a week. If helped by a lad the combined earnings do not exceed 16s., of which he must spend 2s. for fuel. The American, who manages three machines, earns with his \$5 a day, \$30 a week, his apprentice \$9; but they produce 2½ tons as compared with the 200 pounds that the Englishman produces, a twentyfold product for tenfold wages; thus the price of a thousand nails is only half as great in America."§

* Swank, "Iron in All Ages," p. 449.

† A keg (100 lbs.) cost \$5.49 in Chicago in 1872, \$3.15 in 1887 and \$1.49 in 1893. Annual Statistical Report American Iron and Steel Association.

‡ "Industrial Evolution of the United States," Part IV.

§ "Economy of High Wages," pp. 226 and 398.

The Englishman does not produce nearly so cheaply as the alliance of intellectual and mechanical forces permits the American to do.

To prove that high wages correspond to the low cost of production, Mr. Atkinson relates that a German steamship from Bremen, having suffered severe injuries, was dry-docked at New York for repairs. The owners, when they had received the first statement of charges, frightened by the price of a day's labor, sent orders to suspend all operations. But the orders arriving too late, it was found, when the final account was made, that the total cost was less than it would have been at Bremen.*

"The pay here is good, but the labor is hard," said an Alsatian blacksmith employed in a large factory. I could verify nearly everywhere the truth of this remark, for I have seen such activity both in the small industry, where the tailors in the sweating-shops in New York worked with feverish rapidity, and in the great industry, where the butchers of the Armour packing house prepared 5800 hogs a day, where the cotton weavers tended as many as eight looms, or where the rolling-mill in Chicago turned out 1000 tons of rails in a day. Everywhere the machine goes very rapidly, and it commands; the workman has to follow. An English manufacturer, having read in one of Mr. Schoenhof's books that a silk spinner of New Jersey had renewed his machinery in order to obtain 7500 turns a minute, instead of 5000, told him that should he establish such machinery in his workshop all his workers would leave him. And, yet, in America, at the present time, the rapidity is from 10,000 to 13,000 turns.†

Even where the machine only plays a secondary rôle it is customary to go quickly and to lose no time, a necessary result of competition. The employer will not tolerate an idle or listless laborer, who causes him loss.

*"Distribution of Products," p. 61.

†"Economy of High Wages," p. 39.

In the Senate inquiry of 1883, upon education and labor, a weaver of Fall River, who had been a member of the Massachusetts Legislature, and who was then secretary of the Weavers' Union, said that he had worked seventeen years in England, and that conditions were much better than in America. The manufacturers there were not so desirous as they are here of working their men like horses or slaves; they do not work with the extraordinary rapidity which is customary at Fall River. In England, one man manages a pair of looms with two assistants; one between the looms and the other behind. In America, the manufacturer, with one or two exceptions, will not hear of that, and whatever the number of spindles they do not wish that a man shall have more than one assistant. The spindle is turned more rapidly; the laborers have more to do and for each loom Fall River produces more.*

In the same investigation, a tailor who had been successively miner, farm hand, and tailor in England, and who was secretary of a union at New York, thought the miner better off in England than he was in America, where he was obliged to do much more work in a day. "One can," he said, "say the same of carpenters, bricklayers, and plasterers. For instance, a bricklayer sets in a day about 500 bricks more than at London, Liverpool or Glasgow. I have lived in these cities and I have studied the question. A bricklayer here does more and better than elsewhere. The same is true of the carpenter and the cabinetmaker. In all the branches of industry, the men have to labor harder than in England, and their day is longer." The last statement would no longer be exact in 1893.

The superintendent for a large contractor and builder at St. Cloud, Minn., replied in an investigation by the Bureau of Labor, that workmen in the building trades who had served an apprenticeship in Europe, were slow in their work, even when they knew it well. On the other hand, a foreman stone-

* "Labor and Capital," 1885, Vol. i, p. 631.

cutter stated that the best laborers were those who had learned the trade in Europe, especially in Scotland, because they commenced their apprenticeship later and continued it longer.*

Several French laborers, delegates to the Exposition at Chicago, have brought back from their trip the notion that the laborer has to work hard and that he cannot loaf or chatter. "In the machine-shops," said one of them, "there is no movement, no going from place to place on the part of workmen, each one remains at his post without the discipline being more severe than in France."†

A Frenchman, a former student of the School of Art and Trades of Aix, who had worked many years as a machinist in America, gave me his experience on this point:

"The American workman," he said, "is very conscientious, he does not leave his place to talk with his comrades, he is very active and he knows how to use the machine which he handles with intelligence and not with mere routine. Thus, when he makes the cog-wheels, it is not unusual for him to modify the pattern which is before him. In such a case he notifies his foreman, who usually approves it. He enjoys great liberty in regard to the carrying out of his work. If he has invented anything, the employer, as a rule, encourages him (I observed this myself in the box factory connected with the Armour packing house), and oftentimes buys the invention to take out a patent in his own name. Specialty is pushed very far and the same models are frequently used, which facilitates the little inventions of detail, because the attention of the intelligent workman is constantly fixed upon the same object."

The machine does not work like the hand. It has an infinite force and incomparably greater rapidity; it has even a regularity and a precision which the hand and eye rarely attain. But it always does the same thing, and has none of the spontaneity or delicacy of the human mind. It remains for me to cast up the balance of advantage and disadvantage of the machine, and thus of American labor.

For the production of rough work, of the ordinary objects of consumption, of sample pieces, it has great advantages,

* "Fourth Biennial Report of Bureau of Labor," Minnesota, 1893-94, p. 200.

† "Rapports de la délégation ouvrière à l'exposition de Chicago," p. 418.

and in many cases to-day a recognized superiority. For production in great quantities and with great rapidity, American industry is probably better equipped to-day than any other in the world, and I would not attempt to contradict Mr. Schoenhof in his statement that the labor of his country is as cheap in all the important articles that relate to the necessities of life, to clothing and machinery, as the labor of any other nation;* although manufacturers continued to repeat that it would be impossible for them to struggle against foreign competition if they were not guaranteed by a rampart of customs duties.

Machinery does not give personal character, delicate finish, or the artistic stamp to its labors. That is the weak side of industry in the United States. A French officer, who examined particularly the firearms at the Chicago Exposition, said:

"The Americans do everything well which is done by machine in large quantities; but the finish is lacking, particularly the hand finish which would cost too much; they have in some factories good steel because the ore is good, but in general the steel is inferior to that of Creusot; their ordinary guns are fair and not dearer than in France, but the grooved barrels, which require more skill, are decidedly more expensive."

In machinery, manufacturers generally pay attention to the essential parts without caring to give to the rest the polish which is sought in France. However, there are exceptions, particularly for hand tools, which have forms differentiating them generally from those used in Europe, and which are for the most part, whether of steel or wood, of good quality, light and easily handled, well varnished, of varied forms and well adapted to their purpose. There were fine collections at the Exposition at Chicago, although certain very important factories were not represented.† The French

* "Economy of High Wages," p. 386.

† The *Frankfurter Zeitung* cites several instances of this labor-saving, noting especially the bricklayer's trowel, which is also used to cut the bricks, and adds "The Americans are as wasteful of material as they are saving of labor and thus the repairing of tools causes them little concern."

laborers who visited the Chicago Exposition noticed everywhere the lack of finish.* Even in the articles of luxury, they observed that, though Tiffany produced for a certain clientele very richly ornamented jewelry, where there is no attempt to economize style because dearness is a condition of success, he makes also for his ordinary clients cheap articles, which fashioned by mechanical processes, are only moderately artistic. They make the same criticism, and with still greater justification, of ordinary jewelry and imitation jewelry. The artistic bronzes did not satisfy them. They were very commercial and very ugly at the same time, said one; but the manufacture is well understood.† In the exhibit of a large zinc factory, which made cheap clocks, which had stolen and modified French models, they found, "that aside from our models, the rest is bad and only looks to the low price, which is obtained by the large means of production and the facility in the choice of models."‡ They saw pits where in six months leather was tanned by means of certain chemical agents, while fifteen to eighteen months are needed in France, but they doubt the durability of these leathers. I made the same observation for machine-made boots and shoes, and observed that harness was less carefully prepared than in France. They examined pieces of cloths, and found a large number of loops and other defects, coming chiefly from the thread. A French manufacturer commissioned to study the manufacture of hats at the Exposition, expresses himself in like terms, "The American," he said, "in regard to felt hats, imitates the German manufacturer and seeks to produce much and cheaply, rather than well, at the expense of his profits." The manufacturer of shirts says, "the American works for the million and seeks only to produce the article cheaply."

* They found some products good, as tin-ware, shoes, carriages and common silks; it was chiefly the taste which appeared dubious.

† *Rapports*, etc., p. 239.

‡ *Ibid.*, p. 211.

However, there are exceptions. The shoemaker found the quality of ordinary shoes very satisfactory.

Manufacturers consider the improvement and rapid renewal of the machinery, the rapidly increasing rôle of the machine, and the development of large factories as the legitimate consequences of free competition, and deem it one of the most auspicious, as well as most fruitful forward movements of civilization, to produce much and to produce cheaply. They assert that the manufacturer, the laborer, and the consumer, all three, find it advantageous in the long run.

One must recognize with them that if machines are at the beginning optional, they finish by being obligatory; the better informed hasten to adopt them in order to make profits; the tardy ones decide to employ them in order not to be ruined. Without doubt, it may be disagreeable at times for a manufacturer to have a large capital invested in his plant, and it is painful at the end of a few years to see this machinery out of date and the capital sacrificed.

"So active has been the competition between different mills," according to the Census of 1890, "that only those concerns which have been foremost in the adoption of improved labor-saving machinery are large producers at the present time. The destruction of capital in the steel rail industry during the past decade, by the improvements in mechanical appliances, has been enormous, costly machinery becoming obsolete long before worn out."*

But if this machinery is out of date, it is because better results are obtained with new machinery. Necessity of frequent change is proof of the rapidity of progress. A cautious manufacturer calculates among his general costs the usage of machinery in a brief period, and if he has calculated properly, he does not worry about a machine placed in the lumber room; it is paid for and has, consequently, rendered the service expected. The individual or nation has the greatest chance of success who knows how to provide him-

*Eleventh Census "Manufacturing Industries," Part III, p. 413.

self with the best tools and how to use them. A country which wishes to enter into the front ranks of commercial and industrial nations, or to remain there, cannot fall behind in this respect.

The manufacturers judge that the movement has been advantageous to workmen, as sellers of labor, because the level of salaries has been raised, as consumers of products, because they purchase more with the same sum, and as laborers, because their task has become less onerous, the machine doing nearly everything which requires great strength; the workman, instead of bringing his muscles into play, has become an inspector, using his intelligence. He is told that his specialized labor is degrading because monotonous. Is it more monotonous to overlook with the eye for ten hours several automatic looms, and to attach, from time to time, one thread to another with the finger, than to push for fourteen hours against the breast the arm of a hand-loom, pressing at the same time the pedals with the feet?

In proportion as the machines require more room, the ceilings become higher, the workshops larger, the hygienic conditions better. From a sanitary standpoint, there is no comparison between the large factory to-day and the hut of the peasant, or the tenement of the sweating system. The improvement of machinery and the growing power of industrial establishments, have diminished the price of a great number of goods, and this is one of the most laudable forward movements of industry whose object is to satisfy, as well as possible, the needs of man.

The laboring classes do not share this optimism. They reproach the machine with exhausting the physical powers of the laborer; but this can only apply to a very small number of cases to those where the workman is at the same time the motive power, as in certain sewing-machines. They reproach it with demanding such continued attention that it enervates, and of leaving no respite to the laborer,

through the continuity of its movement. This second complaint may be applicable in a much larger number of cases, particularly in the spinning industries and in weaving, where the workman manages more than four looms. They reproach the machine with degrading man by transforming him into a machine, which knows how to make but one movement, and that always the same. They reproach it with diminishing the number of skilled laborers, permitting in many cases the substitution of unskilled workers and lowering the average level of wages. They reproach it with depriving, momentarily at least, every time that an invention modifies the work of the factory, a certain number of workmen of their means of subsistence, thus rendering the condition of all uncertain. They reproach it, finally, with reducing absolutely and permanently the number of persons employed for wages, and thus being indirectly injurious to all wage-earners who make among themselves a more disastrous competition, the more the opportunities for labor are restricted.

In one of the reports of the census of 1880, Mr. Wright examined other accusations which have been brought generally against manufacturing: (1) necessitating the employment of an excessive number of women and children, it tends to destroy the family ties; (2) it is injurious to health; (3) it tends toward intemperance, prodigality, and pauperism; (4) it encourages prostitution and criminality. It was not difficult to prove that these accusations rest upon errors or exaggerations.*

Quite recently the report of the Commission on the Unemployed of the State of Massachusetts, prepared by Professor Dewey of the Institute of Technology, cited as causes of idleness, the introduction and the improvement of the machine, joined with the specialization of labor and the greater productivity of the laborer which has been the consequence. "We are not agreed," says the writer, "upon the

*Tenth Census, "Factory System in the United States."

precise extent of the influence of this cause whose effects have varied according to places and occupations." Taking shoemaking as an illustration, he finds in one place a diminution of 15 to 20 per cent, in another from 25 to 30 per cent in the number of the laborers, and he gives in each specialty the number of laborers employed before the invention of the important machines (McKay, Goodyear, etc.), that is a dozen years ago, and to-day; twenty-eight laborers now do the work of forty-four, the diminution is, therefore, about one-third. It would be much greater if the comparison went back fifty years. "Some of the discharged laborers," says Mr. Dewey, "have been re-absorbed by the growth of production, but not all, and the proportion of unemployed increases rapidly and continuously." Mr. Dewey also observes that machinery, which like the Hoe press, does everything and hardly leaves to the laborer more than the duty of furnishing the raw material and of gathering together the finished product, assuredly modifies the composition of the printing office. Fewer laborers are necessary, but they must be intelligent; one skilled man who acts as overseer with a few laborers is enough. It is the same in a factory where the hydraulic hammer has replaced the blacksmith, and in many other industries. A compositor with the machine has not nearly so great a need of a long apprenticeship as the compositor with the hand. It is in calculating according to this substitution of low-priced day labor for skilled workmen, that the labor party seeks to prove that machinery has lowered the average of wages and discouraged apprenticeship.

In the Senate Inquiry of 1883, a tailor spoke with regret of the salaries of 1867, when cutters in New York received twenty to thirty-two dollars a week (he did not remember that they were paid in paper money); they did not gain more than fifteen dollars on the average in 1883. The chairman asked whether the cutting and sewing machines had produced a revolution in the production

of clothing. "That is the case," he replied; "they have suppressed a large part of the work of skilled hands, which was formerly necessary."*

The Bureau of Labor of New York in 1894 echoed the complaints of workmen who accuse machinery of having diminished the quantity of labor: by 15 per cent, said the carpenters; by 20, said the cutters; 30, shirtmakers; 35, cabinetmakers; 40, compositors, and 50, brownstone cutters. But these workmen appear to have calculated for the labor employed at the same work before and after the invention of the machine, without thinking of the increase of labor, which had been the consequence of the decline in prices, resulting from invention. Some unions, however, observe that machines have increased the number of laborers. Thus, the piano-makers claimed 20 per cent increase. Upon what were these proportions based? The information seems too vague to be conclusive, but it cannot be doubted that in these occupations fewer laborers are necessary than formerly to do the same work.

To these grievances political economy replies by the general results of statistics, which show that the total number of laborers, far from having diminished, has steadily increased from one census to another in the United States; that, on the other hand, the total wages paid to laborers shows an increase of average wages, that the diminution in the price of goods is advantageous to consumers among whom are to be reckoned the wage-earners. These three facts are indisputable.

However, the American laborer is not reassured by such a reply, because he rarely consumes the goods he manufactures, because the average wages of the country is not necessarily the measure of his wages; because when dismissed in consequence of an improvement of machinery, he runs great risk of finding no employment in the same industry, while in another he finds it generally only after long delays; in

* "Labor and Capital," Vol. i, p. 148.

the meantime, he has a family to support. Although the American is more mobile than the European, the transition is not easy either for one or the other. And on both sides of the Atlantic, there is individual misery and professional crises which touch painfully, very cruelly sometimes, the laboring classes. That fact is not to be disputed.

In general, the people are ignorant of history. If they knew better the experience of the past, they would perhaps be less anxious for the future. During the second half of the nineteenth century, the productive force of industrial machinery and the quantity of products have assuredly increased in a considerable degree, more rapidly than the number of consumers.* In the middle of the century, machines were denounced as leading to disaster through overproduction. Bastiat endeavored to demonstrate how slight was the foundation for this opinion.

"If the power of machines renders a portion of human labor superfluous for a time, this progress causes anxiety, and is considered disastrous. The specious, but absurd formulas are heard that production is excessive, and we perish from abundance, that productive power has surpassed the power of consumption."

Before Bastiat, Sismondi had insisted at length upon the "glut of commerce," upon "the number of manufactures which bring to the market products which infinitely surpass the purchasing capacity of the public," denouncing the concentration in large factories, and the progress of mechanical appliances as the causes of a disordered overproduction, and affirming that all the laborers of England would be turned into the streets if the manufacturers could employ in their place steam machinery with 5 per cent profit.† But England has to-day infinitely more manufacturers employing infinitely more machines, producing much more than 5 per cent economy in cost compared with that of 1826, and bringing infinitely more products to the market, and yet it has many more laborers, and these receive

* "*Harmonies économiques*," p. 73.

† "*Nouveaux principes d'économie politique*," 1827, Vol. ii, pp. 326 and 402.

higher wages. As time has proved Bastiat right, and as that promised abundance of 1850 has not prevented our generation from consuming in 1895 a production much more abundant, must we despair of the possibility to produce and consume still more in the coming generation?

What would the copyists of the Middle Ages, who wrote perhaps hardly four pages an hour, have thought if they had been told that the day would come when a machine would produce in an hour the contents of twelve million manuscript pages!* It is true that copyists have almost entirely disappeared, but it is certain that printing employs many more arms than once copied manuscript, because the people know how to read.

The chief of the Labor Bureau of New York has made a suggestive comparison: the United States and Great Britain, he says, are the countries which own and use the most machines. Compare the general condition of laborers in those countries with that of any country whatever in the world, where machines are unknown, except in the most primitive forms. Where is the superiority? It is almost a paradox, and yet it is a truth that machines bring about a much larger employment and improvement, not only because they increase production, but because they multiply the chances of employment, and incidentally the consumption of products. In fact, the census of the United States shows that the proportion of laborers to the total number of inhabitants has increased in the same period that the machine has taken most complete possession of manufactures. From 1860 to 1890, while the population of the United States doubled, the number of persons employed in industry increased nearly threefold (increase of 172 per cent), and at the same time the mechanical power, measured by horse-power, increased fourfold.† Inventions have created new

* Eighth Annual Report, Bureau of Labor, New York, p. 685.

† In England the number of horse-power has increased from 1,290,000 in 1850 to about 9,500,000 in 1890; still population has increased from 27.7 millions to 38.1 millions. In France population was 34.2 millions in 1841 and 38.3 millions in 1896;

industries, such as photography, electricity, telegraphy, electrotyping, railroading, manufacture of bicycles, etc., and have thus given to labor much more employment than they have withdrawn from it. Thus, even in old industries, transformed by machinery, the progress of consumption has generally maintained a demand for hands.

This progress has not been made at once by regular and simultaneous development of all the branches of production; there have been general and special crises. Each branch has, as it were, its history; there are some which languish and there are some which decay, but it is by the entire tree that one must judge the growth. What the chief of the Bureau of Labor of New York says concerning Great Britain and the United States, is proved by statistics for all the great industrial regions; thus, in France, where the population increases very little, it grows rapidly in those departments which have the greatest number of steam engines, because machinery creates a demand and attracts hands.

There is no social evolution which does not produce friction. That which urges industry toward machinery and large factories appears to me to-day irresistible, because it leads to cheapness, which the consumer seeks first of all, and which is one of the objects of economic civilization. It is Utopia to believe that the world could come back by some modification of the social order, or of mechanical motive powers to the system of the little family workshop. Such a workshop is far from being an ideal, as the sweating system proves.

horse-power employed in industry was 56,000 in 1840 and 5,734,000 in 1890. The figures are hardly comparable because the statistical methods have changed, but they prove that the progress of motive power representing more than 100 millions man power has not interfered with the increase in the number of laborers in a country whose population is reputed to be stationary. From 1836 to 1891 population increased more than sixty-four millions in the fourteen departments which have the largest number of machines and which are also those which have increased most rapidly, while population has somewhat diminished since 1836 in the fourteen departments which have the smallest number of machines.

A Frenchman in Philadelphia, who is familiar with economic interests, said that, when one examines attentively the condition of affairs in America one is struck by the rapid development of large industry and its concentration. "The future is there." I agree with him, although convinced that the aggrandizement of manufactures has its natural limits, and that on the other hand there will always be a large place for small producers and small traders.

The industry of the United States since the Civil War has advanced resolutely and rapidly in that path, and has become very powerful. "It moves with great strides," said a French manufacturer in a report upon the Exposition at Chicago, "and in many points it is superior to ours, not from a scientific, but from a practical point of view." It will be concentrated still more, and the machine whose rôle will not cease to grow, will continually push it forward. It is, therefore, towards concentration and improved machinery that entrepreneurs, wage-earners and economists should turn their eyes to perceive the future. If one desires to try practical reforms, one must frankly accept, at the outset, a fact which one cannot prevent, and which has its reason for existence, which it would be regrettable from more than one point of view, to impede by the artificial measures of legislation.

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Paris.

SILVER FREE COINAGE AND THE LEGAL TENDER DECISIONS.

Now that the national political contest, involving more particularly the proposition for the free and unlimited coinage of silver dollars at the ratio to gold of sixteen to one, has been decisively settled against the proposition, and in favor of maintaining the present gold standard of the currency, it seems to be an opportune time to call the attention of the thinking people of this country to the difficulties we would have encountered, in securing from the Supreme Court of the United States a pronouncement of the unconstitutionality of a silver free-coinage act of Congress, which would have been passed and made law, if the Democratic party had been successful at the polls.

Throughout the heated political contest, the opposition papers teemed with arguments to prove that the free coinage of silver at the stated ratio meant repudiation *pro tanto* of all existing obligations; and this argument, brought home to the small investor, the savings bank depositor, the holder of life insurance policies, and the wage-earner, unquestionably secured the defeat of the silver party. And, although during the canvass very little was said in speech or print of the protection against such a dishonest act of government which might be confidently expected as a last resort from the courts, in declaring a silver free-coinage law unconstitutional, this feeling was undoubtedly widespread, if not often expressed. This expectation, in the light of our history, was a most natural one. For the whole constitutional law of this country, both national and state, is impregnated with the policy of protection to vested interests. Our revolutionary forefathers seemed to have been fearful of an unfettered popular will, and their boast—and the states-

men and jurists of the world have commended our government on account of it—was that they had established such a system of checks of one branch of the government upon another, as that it was impossible for any radical change to be effected in the form or policy of our government, which was not supported by the overwhelming second thought of the nation. As history has revealed it to us, the chief and most valuable check, devised by the framers of the national constitution, was the power of the courts to pronounce an act of Congress or state legislature unconstitutional, which contravened any provision of the written constitution.

Before the constitution of the United States was adopted and the present Union established, and while the Constitutional Convention was sitting at Philadelphia, the Congress of the Confederation was framing an ordinance for the government of the northwest territory; and, in setting forth the fundamental principles of justice, which should pervade and control the governmental acts of the territory, the ordinance provided *inter alia*:

“And in the just preservation of rights and property it is understood and declared that no law ought ever to be made, or have force in the territory, that shall in any manner whatever interfere with or affect private contracts or engagements *bona fide* and without fraud previously made.”

This declaration was called forth by the very general desire to repudiate the inheritance of public indebtedness from the expenditures in the prosecution of the revolutionary war. In order to more effectually stem this tide of sentiment in favor of repudiation of public obligations, the Constitutional Convention inserted in the constitution the well-known provision that, “no state shall pass any law impairing the obligation of contracts.” The convention did not think it necessary to impose the same explicit restriction upon the powers of Congress, probably because the national government was not expected at that time to play

a very large or important rôle in the internal affairs of the country. But in the fifth amendment to the constitution, adopted subsequently, it was provided that

"no person shall be deprived of life, liberty or *property* without due process of law."

It is therefore one of the fundamental propositions of American constitutional law, that neither the national nor the state legislatures have the power by enactment to take one man's property and give it to another, even upon payment of compensation, except in the enforcement of the payment of debts. In the exercise of the right of *eminent domain*, a private owner's land may be taken for devotion to public use, upon payment of compensation. But it is not possible for land so condemned to be devoted to the strictly private use of another.

Property is defined as "any thing or object of value which one may acquire and own," and one of the commonest divisions of property in the law books is into things in possession and things in action. Things in action, or, to employ the old Norman-French term, *choses in action*, include every claim against another for money, or money's equivalent, which can be successfully enforced in a judicial action. It is manifest, therefore, that the constitutions, both national and state, guarantee one in the secure possession of things in action, as well as of things in possession. When the National Bankrupt Law, which cut off the claims of creditors of an insolvent debtor, was claimed to be a violation of the right of property in things in action, it was justified on the ground that the constitution of the United States had expressly authorized the enactment of the law, thereby making it an express exception to the ordinary constitutional guaranty of protection to vested rights.*

It is probably not an exaggerated statement that three-fourths of the private property of the world are things in action, contracts, bonds, notes, open accounts, covenants,

* See *Ogden vs. Saunders*, 12 Wheat. 269.

mortgages, etc., and the great majority of these things in action are contracts, which call for the payment of money. It is also probably true, that the overwhelming majority of these current monetary obligations were created in this country since 1873, when Congress demonetized silver, and put the country distinctly on a gold basis. These current monetary obligations were, therefore, made on a gold basis; *i. e.*, when the bond or note, called for the payment of one thousand dollars, both debtor and creditor are conclusively presumed to have had in contemplation the payment of something, which, under the denominations of dollars and cents, would have enabled them to buy in the markets of the world the value in goods of the amount of gold which was put by the United States Government into one thousand gold dollars. If these parties had anticipated that, when the debt fell due, the debtor could extinguish his debt of one thousand dollars in gold by the transfer of five or six hundred gold dollars' worth of silver—which would enable the creditor to buy in the markets of the world only a little more than half the quantity of goods that he could get with the one thousand gold dollars, which he had expected to realize from the contract—the terms of the contract would certainly not have been the same. Common sense, as well as the expressed judicial opinion of this country in analogous cases, with the exception of the legal tender decisions, would force us to the conclusion that an act of Congress, passed subsequently to the making of the contract, which required the creditor to take five hundred gold dollars' worth of silver, whether in bullion or coined into silver dollars at the ratio of sixteen to one, would have the effect of taking away from the creditor one-half of his property, by reducing its purchasing power by one-half; and, that, for that reason, such an act of Congress was in violation of the fifth amendment of the national constitution, which prohibits the taking of private property.

It might be urged that the silver dollar of the present

weight and fineness is already, and has been since 1878, legal tender in payment of all debts, public and private; and that the free coinage of silver dollars at the same ratio would not change the rights of parties to existing private contracts. To this contention the answer may be given that, inasmuch as silver is coined, under the act of 1878, and subsequent acts, in limited quantities only, the silver dollar has the character and effect of subsidiary coin, particularly since the government has uniformly given to the holder of silver dollars and treasury notes gold dollars, whenever they were demanded. In other words, the United States Government's guaranty that the silver dollar shall be maintained on a parity with the gold dollar, substantially makes the silver dollar as much a subsidiary coin as the fractional currency, whose intrinsic value is below the nominal value. This guaranty of the government alone maintains this parity; but if the guaranty were to be made worthless, as it would by a provision for the free coinage of silver, the gold would disappear from circulation, as it did in 1834, and the country would at once settle down to a silver basis, resulting in a practical repudiation of about fifty *per centum* of existing obligations, unless the United States Supreme Court intervened with the declaration that this is a taking of private property without due process of law, which is inhibited by the national constitution.

It is a common rule of private conduct, that where one, even for a laudable purpose, does an act, which is in violation of a fundamental principle of ethics and justice, the incidental injurious consequences far outweigh in effect the good, or supposed good, which is immediately attained. And this is strikingly true with the declarations by the Supreme Court of the United States that Congress had the power to declare the United States treasury notes to be legal tender in payment of public and private debts. Those, who are not familiar with the opinions, filed in these cases, will be surprised to learn that Justices Strong and Gray, in

delivering the opinion for a majority of the Court, in 12 Wallace, 457, and 110 U. S., 449, have plainly asserted the power of Congress to debase the currency, and make the debased currency legal tender in payment of existing obligations. In the legal tender cases,* the Court say:

"The obligation of a contract to pay money is to pay that which the law shall recognize as money when payment is to be made. . . . No one ever doubted that a debt of \$1000, contracted before 1834, could be paid by 100 eagles coined after that year, though they contained no more gold than 94 eagles such as were coined when the contract was made, and this *not because of the intrinsic value of the coin, but because of its legal value.* . . . Every contract for the payment of money simply, is necessarily subject to the constitutional power of the government over the currency, whatever that power may be, and the obligation of the parties is therefore assumed with reference to that power. . . . It is thus clear that the power of Congress may be exercised, *though the effect of such exercise may be in one case to annul and in other cases to impair the obligation of contracts.*"

In the same case, Mr. Justice Bradley says: "The mere fact that the value of debts may be depreciated by legal tender laws is not conclusive against their validity." And in *Juillard vs. Greenman*,† Mr. Justice Gray, in delivering the opinion of the Court, said:

"So, under the power to coin money and to regulate its value, Congress may (as it did with regard to gold by the act of June 28, 1834, and with regard to silver by the act of February 28, 1878, ch. 20) issue coins of the same denomination as those already current by law, but of less intrinsic value, or containing less weight of the precious metals, *and thereby enable debtors to discharge their debts by the payment of coins of less value.*"

Notwithstanding these very plain assertions of the power of Congress to debase the currency, by the modern imitation of the mediæval practice of clipping coins, I will make the effort to prove that the opinions of Justices Strong, Bradley and Gray are not indicative of what would be the judgment

* 12 Wall. 457.

† 110 U. S. 444.

of the Supreme Court on the constitutionality of a free coinage silver act.

First. The opinion as to the power of Congress to debase the currency was only a *dictum*, and appears in cases which hold that the Congress could make United States treasury notes legal tender. While I believe that the court erred in reaching that conclusion, the making of a legal tender out of treasury notes was only an incidental debasement of the currency, inasmuch as the notes were payable in coin, and the discount in the current valuation of the notes, due to the stress of war and its subsequent effect on the credit of the government, was only temporary. I am also fully persuaded that the legal tender decisions would never have been delivered, had it not been that a very large and powerful class of people, who had made debts in reliance upon the legality of the legal tender acts of 1863, would have been seriously injured, if not ruined, by a decision of the court, that the treasury notes were not legal tender. In the beginning of his opinion in 12 Wallace, 457, Mr. Justice Strong said:

"It is also clear that, if we hold the acts invalid as applicable to debts incurred or transactions which have taken place since their enactment [the legal tender acts of 1863], *our decision must cause throughout the country great business derangements, widespread distress and the rankest injustice.* The debts, which have been contracted since February 25, 1862, constitute by far the greatest portion of the existing indebtedness of the country. They have been contracted in view of Congress declaring treasury notes a legal tender, and in reliance upon that declaration. Men have bought and sold, borrowed and lent, and assumed every variety of obligations contemplating that payment might be made with such notes. *Indeed, legal tender treasury notes have been the universal measure of value.* If now, by our decision, it be established that these debts and obligations can be discharged only by gold coin; if, contrary to the expectation of all parties to these contracts, legal tender notes are rendered unavailable, *the government has become the instrument of the grossest injustice; all debtors are loaded with an obligation it was never contemplated they should assume; a large percentage is added to every debt, and such must become the demand for gold to satisfy*

contracts, that ruinous sacrifices, general distress and bankruptcy may be expected."

Can there be much doubt that if Mr. Justice Strong and his colleagues, who sustained the constitutionality of the legal tender acts, were now called upon to declare an act of Congress to be constitutional, which will compel creditors to receive in payment of existing debts money having only one-half the purchasing power of the present gold standard, they would be just as profoundly impressed with "the rank injustice" of such an enactment? As the late Austin Abbott used to say, the business of the judge is to give a legal reason for the conclusions of common sense; and I may add that, while the legal reason is usually considered as controlling the judgment of the court, the judgment is really dictated by the conclusions of common sense. These conclusions of common sense, rather than the assigned legal reasons, must be considered in attempting to forecast the decision of the same court in analogous cases. In this connection I make bold to say that the quotation just given from the opinion of Mr. Justice Strong is a better guide to the determination of the social forces which brought about the legal tender decisions than the legal reasons assigned by him and his colleagues; as well as a better index of what the judgment of the court would be on the constitutionality of a silver free coinage act.

In the legal tender cases, the debtor class was in danger of being subjected to "rank injustice" by declaring the legal tender acts unconstitutional; while under a silver free coinage the creditor class would be the sufferers of "rank injustice," if the bill was held to be constitutional.

Secondly. When the legal tender acts were first passed, the nation was in the throes of a gigantic civil war, and the permanency of the union hung in the balance. It was as a war measure that the legal tender acts were first adopted; and while, in *Juillard vs. Greenman*,* the necessity of claiming

* 110 U. S. 491.

the power to make treasury notes legal tender, as a war measure, was not present, and the court really sustained the legal tender act of 1878, which continued the legal tender character of treasury notes and provided for their reissue, on the technical ground that, conceding to the government the power to make its treasury notes legal tender, it was a legislative and not a judicial question when it was necessary to exercise the power, underlying all these legal tender decisions is the profound though, in the judgment of many, the mistaken conviction that the exercise of that power in 1863 was of immediate service to the national government in overthrowing the Southern Confederacy; and that it would be unwise to deny to the government a power which, however dangerous it might be if employed unwisely, was held to be highly beneficent in times of great emergency. No such special plea could be urged in behalf of the free coinage of silver. The duration of the government is not to be promoted, but rather endangered, by such an enactment. The only end to be attained by such a measure, in addition to the heavy percentage of repudiation of all existing obligations, is the speculative gain from the establishment of a different standard of valuation for future contracts. Such an end would not justify the government's interference with the obligations of debtors on existing contracts.

Thirdly. The legal reason, which led Justices Strong and Gray to the statement that Congress could debase the currency without violating any provision of the United States constitution, was based upon what Mr. Justice Strong asserted to be an uncontroverted and uncontrovertible proposition of law that an ordinary contract to pay a certain number of dollars

"was not a duty to pay gold or silver, or the kind of money recognized by law at the time when the contract was made, nor was it a duty to pay money of equal intrinsic value in the market. . . . The obligation of a contract to pay money is to pay that which the law shall recognize as money when payment is to be made."

And in *Juillard vs. Greenman*,* Mr. Justice Gray said:

"A contract to pay a certain sum in money, without any stipulation as to the kind of money in which it shall be paid, may always be satisfied by payment of that sum in any currency which is lawful money at the place and time at which payment is to be made."

I think it can be demonstrated that this is not American law, so far as it is claimed to involve the power of the government to debase the currency, and to compel the existing creditor to take in payment of his existing claim a depreciated or debased currency at its face value. The foreign authorities, which are cited by these judges, need not be taken into consideration; because nowhere else in the world is a court authorized or enjoined to avoid a legislative act on any ground whatever. When, however, we read this proposition of the law of contracts, in the light of *Faw vs. Marsteller*,† cited by Mr. Justice Strong in support of his proposition, that the government can debase the currency without violating existing contracts, we are forced to the conclusion that its only meaning, as a proposition of American law, is that the creditor is obliged to take in payment of his claim, whatever is rightfully made legal tender at the time that the debt falls due. For example, it is a common proposition of commercial law that a negotiable promissory note may be made payable in this country, calling for the payment of a sum of money of a foreign denomination, but it is actually payable in the legal tender of this country, unless otherwise agreed upon; and the amount in the legal tender of this country, which is due on the note, is computed from the relative values of the units of the two systems of coinage. The commercial world holds, as the fundamental unit of value, to the purchasing power of the denomination. And while the government of the United States may vary the intrinsic value of its coins, and thereby change their ratio of value with foreign coins, it has not the constitutional power to increase or diminish the

*110 U. S. 421.

†2 Cranch. 29.

purchasing power of the money called for in settlement of an existing contract. This seems to be the irresistible conclusion from the opinion of Chief Justice Marshall in *Faw vs. Marsteller*.*

During the revolutionary period of our existence as a nation, each of the states, as well as the Continental Congress, had issued paper money or treasury notes, in such large sums, that this money had become greatly depreciated in value, and a proportionate premium had to be paid for gold and silver. Although there was a general expectation that at some time in the future the depreciated paper would be retired, and specie payment be resumed, most contracts were made in the expectation that they would be performed by payment in this depreciated currency.

The Virginia Legislature, along with provision for resumption of specie payment, had established a scale of valuation of the depreciated paper money in specie at different periods of its circulation, and declared that contracts, which had been made during the circulation of the paper money, when paid in specie, should be reduced in amount to the real value which the paper money had in specie at the time when the contract was made. For example, a contract calling for the payment of \$1000, made when the paper money was worth in specie only fifty cents on the dollar, the creditor could only recover \$500 in specie.

In the case of *Faw vs. Marsteller*, a deed of sale was made in 1779 of land upon a perpetual ground-rent of 26 pounds *current money of Virginia*. It was contended by the grantor's assigns that this contract did not come within the statute, because it was a continuing contract, and that the rentals falling due after the resumption of specie payment, should be construed as obligations arising after that date, and that these rentals should be paid in full in specie. Chief Justice Marshall denied this claim, holding that the contract did

* 2 Cranch. 29.

come within the operation of the statute. The Chief Justice said, continuing:

"It seems to be the date and not the duration of the contract which was regarded by the Legislature. The act is applied directly to the date of contract, and the motive for making it was that contracts entered into during the circulation of paper money, *ought in justice to be discharged by a sum different in intrinsic value from the nominal sum mentioned in the contract, and that when the Legislature removed the delusive standard, by which the value of the thing acquired had been measured, they ought to provide that justice should be done to the parties.*"

The Virginia Legislature had, however, provided in the act referred to, that where the scale of values proved in any particular case to work injustice, the courts were empowered to make a special inquiry into the value in specie of the claim in the particular contract, and that this judgment of the court should determine the amount to be paid in liquidation of the contract. Chief Justice Marshall held, from the evidence before him, that this was one of those extraordinary cases, which were not justly provided for by the scale of values, and ordered a special inquiry to determine the annual rental value in specie of the land at the time when the land was sold. Surely the great exponent of the sanctity of contracts would not have rendered this decision, had he believed in the power of the government to change the intrinsic value of the unit of money, and compel parties to existing contracts to receive in payment the debased coin at its face value. In the light of the facts of this case, and the specific judgment of the court, the statement of Chief Justice Marshall in his opinion in the same case,* which is quoted by Mr. Justice Strong in the legal tender cases, that "according to the law of contracts all moneys accruing under it, which were not received during the currency of paper, would be payable in such other money as might be current at the time of payment,"

must be taken to mean only that the creditor cannot object

* 3 Cranch. 29.

to the *kind* of money offered him in payment, because it was not money at the time when the contract was made.

The same principles controlled the United States Supreme Court in laying down the rule that where, during the prevalence of the civil war, a note or contract was made in the Southern States within the Confederate lines, calling for the payment of a number of dollars, and which remained unpaid at the re-establishment of peace, the sum payable in the lawful money of the United States on such a note must be ascertained by the determination of the value in such money of the Confederate currency at the time and place, when and where such note or contract was made.*

The fact that the same court rendered these decisions at the same time that they were deciding the legal tender cases, indisputably sustains my contention that the legal tender cases are not to be taken as a judicial determination, that the United States Government can impair the obligation of existing contracts by compelling, in performance of such contracts, the receipt of a debased currency at its face value.

Fourthly. The dicta of these justices are still further weakened by their claim that the United States Government had reduced the intrinsic value of its coin, and thus impaired the obligation of existing contracts in 1834. The latter half of the proposition is not true.

Under the act of 1792, the silver dollar was established as a unit of value in the ratio to gold of 15 to 1; but by 1823, it became very plain that the true ratio was 16 to 1. As a result of this depreciation of silver, the gold passed out of circulation and was either sent to Europe or hoarded in this country. Inasmuch as both silver and gold were legal tender, and the debtor could pay his contracts in either coin, he would surely pay in the cheaper metal. At that time, therefore, this country was on a silver basis, and all

* See among other cases, the *Confederate Note Cases*, 19 Wall. 548; *Stewart vs. Salomon*, 94 U. S. 434; *Cook vs. Lillo*, 103 U. S. 793; *Wilmington, etc., R. R. Co. vs. King*, 91 U. S. 3.

the existing contracts were made in reliance upon payment in silver. The creditor gained nothing therefore from this relative appreciation of the gold dollar. The only one who profited by it was the possessor of the gold dollar, and his profit depended solely upon the extra quantity of gold in the gold dollar. Inasmuch as the country was already on a silver basis, in re-establishing a parity between the two metals, Congress acted wisely in reducing the quantity of gold in the gold dollar, because it was the scarcer coin, and had already passed out of active circulation. Values were in nowise disturbed by this congressional enactment; they would have been if the intrinsic value of the silver dollar had been increased, for all contracts were then made on a silver basis. The situation is now completely changed. We are on a gold basis, and the terms of all contracts are determined by a reference to the gold standard. The remonetization of silver at a ratio which would make the silver dollar inferior in intrinsic value to the gold dollar would at once take us to the silver basis, and the values of all monetary obligations would be proportionately reduced.

This exposition seems to make clear that while the legal tender cases would, as prominent precedents, have proved stumbling-blocks in the way of securing a declaration that a silver free coinage bill was unconstitutional, so far as it applied to existing contracts; such a declaration might have been confidently expected, if the court had been called to pass upon the question. Happily, the verdict of the people at the polls makes an appeal to the court unnecessary.

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THE QUANTITY THEORY.

For many decades the quantity theory of prices has dominated certain departments of economic thought. Since the days of Ricardo, at least, it has formed the basis of much of the reasoning of economists and practical men on monetary questions, and it has been a premise of reasoning in other fields of thought. At no time in its history has it enjoyed complete immunity from attack, but the voices of its opponents have neither penetrated far, nor produced very important scientific or practical results. Quite recently, however, evidences of dissatisfaction with this theory have multiplied. It has been seriously discussed in our periodicals, and at least two books* have been written in this country in which it has been definitely abandoned. Whatever these recent discussions may have accomplished in the direction of influencing public opinion they have clearly revealed the real basis of the theory. For instance, Miss Hardy and Mr. Schoenhof† have attempted to show that this theory is not in harmony with the facts of the history of money and prices, while President Walker‡ in reply has given such a statement to the theory as to make it impregnable to attacks by statisticians or historians, thus demonstrating that its real basis is theoretical, and that it is just as strong and just as weak as the reasoning upon which it is based. Neither President Walker, however, nor any one else has published the results of an inquiry into the nature and soundness of this reasoning. It is the purpose of this paper to supply, at least in part, this deficiency.

*Mr. Schoenhof's book mentioned below, and Mr. Horace White's book on "Money and Banking."

†The former in the *Chicago Journal of Political Economy*, and the latter in his book on "The History of Money and Prices."

‡See his article on "The Quantity Theory" in the *Quarterly Journal of Economics*, Vol. ix. President Walker's statement of the theory is discussed later on in this paper.

In its present form the quantity theory is the result of a long process of evolution. The germ of it may be found in statements frequently made by sixteenth century writers to the effect that all the commodities of a society and all its money are exactly equal in value, consequently that the value of a single piece of money is large or small according as the number of pieces be few or many.* A more accurate statement of the idea really involved early led to a limitation of the commodities meant to those which were actually objects of commerce, and of the money meant to that actually in circulation.† In this form the theory might be stated as follows: The goods which are bought and sold upon the markets are equal in value to the money in circulation on those markets, and the value of a single piece is as before a function of the number of pieces. Later on it was discovered that the rapidity of the circulation of the pieces of money, and the number of times commodities were exchanged must be taken into consideration, and the statement of the theory had to be modified accordingly.‡ The use of credit instruments and of government paper in various forms, as media of exchanges, forced other restatements of the theory in order to make it conform to facts, even in appearance. The ingenuity of not a few writers has been admirably displayed in more or less successful attempts to accomplish this task. Mr. J. Shield Nicholson § assumes a hypothetical market in which no exchanges are made without the actual passage of money from hand to hand, and in

* See Davanzati, "*Lezione sulla Moneta*," quoted in Roscher's "Political Economy," Lalor's translation, Vol. i, p. 367.

† See Montanari, "*Della Moneta*," pp. 45, 64; and Hume, "Essay on Money," quoted by Roscher, *op. cit.*

‡ The discoverer of this truth is supposed by many to be Bandini, "*Discorso economico*," 1737, p. 141. Berkely, however, in the *Querist*, 1735, p. 447, writes: "A sixpence twice paid is as good as a shilling once paid." Much earlier yet, in 1697, Boisguillebert, "*Détail de la France*," Vol. ii, p. 19, had the germ of this doctrine, but he confounds circulation with consumption. And Locke, "Considerations," Vol. ii, p. 13, presented it in 1691 with great clearness, although he did not always remain true to his theory. Compare Quesnay, ed. Daire, p. 64; Cantillon, pp. 159, 382. Roscher, *op. cit.*

§ "Money and Monetary Problems," 2d. ed., p. 56.

which no money is withheld from circulation for any reason. He then assumes ten traders each with one kind of commodity, each commodity equal in value to every other, and one trader with one hundred pieces of money. Under these circumstances each commodity will exchange for ten pieces of money, and each piece of money will be worth one-tenth of a commodity. Increase the pieces of money to one thousand, and prices will rise tenfold, and the value of the money unit will fall to one-tenth its former amount. The law revealed by this illustration clearly is that in the hypothetical market assumed prices rise or fall in proportion as the quantity of money increases or decreases, and the value of the money unit changes in inverse proportion. In actual markets, according to Mr. Nicholson, this law is in full force, but the results of its operation are more or less concealed by the accomplishment of large numbers of exchanges through barter and instruments of credit, by the hoarding of coin and its frequent melting down for use in the arts, by changes in the value of commodities with reference to each other, etc., etc.

President Walker has explained the theory as a particular case of the application of the law of supply and demand, and his ingenuity has given us definitions and descriptions of the demand and supply of money, so carefully worded and so skillfully guarded that a person would be captious indeed who would find fault with them. They seem to cover the ground, and to be entirely adequate for their purpose. The following quotation from one of President Walker's recent articles in defence of the quantity theory illustrates his thoroughness and carefulness in this matter:

"In the situation existing, the quantity of goods to be exchanged being such as it is, prices ruling as they have done, producers and consumers living at such distance from each other as may be the case, the habits of the people as to carrying and using money being what they are, the machinery of exchange being what it is, there is occasion for a certain exercise of the money-function in that community. . . . Shall we say that the demand for money is

determined merely by the amount of goods to be exchanged? No. Many of these goods may be conveniently exchanged directly against each other in barter, or indirectly through the intervention of commercial and financial credit without the use of money. Such goods do not constitute a factor in the demand for money. Even when we know the amount of goods which must be exchanged through the intervention of money, we have still to inquire how often each commodity may require to be thus exchanged. On the other hand, the supply of money is not determined solely in the number of money pieces of a certain denomination or denominations available to do the money work. We must also know the rapidity of circulation. . . . In a community possessing in a high degree the agencies of transportation and transfer—railroads, parcel express, post and telegraph—a given volume of money-pieces might conceivably do two or three times as much of the money work as in a community more backward in the respects indicated. To resume, the demand for money and the supply of money are both quantities of two dimensions.

"When the demand for and the supply of money are thus stated and explained, it is difficult to see how any economist can take exceptions to the proposition that, other conditions remaining the same, an increase in the quantity of money must raise prices, and a decrease in the quantity must lower prices."*

It has also been suggested, in order to make the quantity theory fit the facts, that we substitute "total purchasing power" for money in the traditional formula. We would then be obliged to say that any increase or decrease in the total amount of purchasing power would proportionally raise or lower prices directly and the value of the unit of purchasing power inversely.†

It must be admitted, I think, that President Walker, Professor Nicholson and others have succeeded in stating the theory in such a way that it cannot be overthrown by an appeal to statistics. The rapidity of the circulation of money, the number of times each commodity has been or may be exchanged, the number of exchanges effected through barter and instruments of credit, the amount of money

* *Quarterly Journal of Economics*, Vol. ix, p. 373.

† Professor Taussig in "Silver Situation in the United States." Total purchasing power is assumed to be measured by the aggregate of all sorts of instrumentalities of exchange.

actually in circulation at any particular time are elements in the problem which are indeterminable by any known methods. If investigations like those recently made by Mr. Schoenhof and Miss Hardy prove that prices frequently rise and fall and remain stationary under all conditions of money supply, and that, so far as such facts indicate, the relation of prices to the quantity of money is quite as often the reverse of what you would expect from the quantity theory as in harmony with it; the defenders of the theory can still reply that, if all these unknown elements had been properly estimated and their influence accounted for, the theory would have been found to be true. The only rejoinder which can be made to such a reply is an expression of doubt which will leave honest opponents of the same opinion still.

But can any friend of sound economic theory remain satisfied with such a defence of this theory, or with the theory itself, if this is the best defence that can be made for it?

The real essence of the theory seems to have escaped the attention of both friend and foe. At any rate it has not been brought forward in recent discussions, and in consequence the real point at issue has been obscured. What students of monetary problems really want to know is whether there actually exists the causal relation between the value of the money unit and the quantity of money which the advocates of the quantity theory allege. These theorists insist that with a given amount of money work to be done and a given rapidity of circulation the value of the money unit is an effect of which the number of pieces of money is the cause. Neither changes in the market value of the material from which money is made, nor any other event can effect this value *directly*, they say, but only *indirectly* by first increasing or decreasing the amount of money in circulation. As Ricardo puts it, "There can be no depreciation of coin but from excess." "Whilst such money is kept within certain limits, any value may be given to it as currency." Is this true? May it not be true that the

causal relation is the other way about; that the quantity of money in circulation is an effect of which the value of the commodities to be exchanged and the value of the money unit are causes? Or, is the connection between the volume of currency and prices so close a one that any quantitative relation can be established? These are the real questions at issue.

What are the grounds for believing that the causal relation is as the quantity theorists claim?

President Walker's answer is that the law of demand and supply proves it. No one, he says, has shown any good reason for making money an exception to this law, and he expresses the belief that no good reason can be given. In other words, his claim is that the law of supply and demand and the quantity theory stand and fall together. But is this true? Everything depends upon what one means by the phrases in question. Does the law of supply and demand, as it is ordinarily understood, help us to answer the questions which were propounded above? Does it prove that the quantity of money has the direct causal effect upon prices which the quantity theorists allege? In my opinion these questions must be answered emphatically in the negative.

The law of demand and supply is simply a method of describing the process through which the value-determining forces work. It is a short way of saying that when some people want to buy more goods at a certain price than other people are willing to sell at that price, some of the prospective buyers will bid higher; some of them will stop bidding; new sellers will very likely enter the market; old sellers will perhaps offer more goods for sale, etc., etc., and that this process of "higgling" will continue until a certain quantity of goods passes from the hands of certain sellers to those of certain buyers at some price. At what price the law does not and cannot say. As Thornton demonstrated long ago, the so-called equalization of demand and supply may be

accomplished at many different prices. To determine at about what price in the long run demand and supply will properly be adjusted to each other, we are obliged to resort to the principle of cost of production, and ultimately to that of marginal utility. The numerous forces comprehended under these terms work themselves out through the so-called law of demand and supply. An appeal to this law cannot, therefore, settle a dispute regarding the true source of the value of the money unit.

A further difficulty with President Walker's method of argument consists in the fact that the demand for money, or the amount of money needed, obviously depends in part upon prices. If six commodities, for example, each worth a dollar a piece, are exchanged once each simultaneously, six dollar-coins will be required to do the work. If they are worth five dollars each, under the same circumstances, thirty dollar-coins, or their equivalent, will be required. We thus meet the same old problem in another form. If we would explain the demand for money, we must explain prices, and President Walker is estopped from using the quantity theory for this purpose, for that is the very question at issue. One cannot use the law of demand and supply in support of the quantity theory and then use the quantity theory in explanation of the law of demand and supply.

John Locke* also regarded the quantity theory as a logical deduction from the law of demand and supply. He maintained that the demand for money was infinite; and consequently that the supply only needs to be considered in an explanation of prices or of the value of the money unit. According to Locke's notion there is no limit to the amount of money which people desire, but he did not explain how an infinite desire makes a finite demand; neither did he explain how an infinite demand with a finite supply could result in anything except an infinite price.

* "Considerations on the Lowering of the Rate of Interest."

Mr. Nicholson's reasons for believing the quantity theory are nowhere expressly stated, but they are implied in the hypothetical market which has already been described.* He there makes two important assumptions: Firstly, that the man with the money will give it all for the ten commodities he desires to possess; secondly, that the money can be used for no purpose except the making of exchanges. Are these assumptions valid? Granted the hypothesis that the money can be used for no purpose except that of exchanging goods, does it follow that all the money would needs be exchanged against all the goods, and does such an hypothesis assist us to understand the actual case in which money can be and is used for other purposes than the making of exchanges?

In order to answer the first question we must consider the motives of the exchangers. Why should the man who holds the dodo bones (the form of money used by Mr. Nicholson in his illustration) pay them all out for the commodities he desires, and why should the possessors of the commodities demand all the dodo bones in exchange? If we assume that they all understand the nature of the process in which they are engaged, and that they really follow out their own self-interest, it is difficult to see why the owners of commodities should demand or the owner of the dodo bones should offer the entire supply in exchange. What the owners of commodities really desire is not dodo bones, but other commodities which the dodo bones will buy. A few will do the work of exchanging a given quantity of their commodities for a given quantity of the commodities which they desire as well as many, and better, because a few are more easily handled than many. The owner of the dodo bones will not find it in his interest to offer a large quantity instead of a small because the latter will buy just as many goods for him and bring him just as much profit as the latter. If we assume that the exchangers do not understand what they are about,

* See above p. 41 *et. seq.*

we are all at sea. Whether under these circumstances all the money will be exchanged for all the commodities depends upon the success of the money holders in concealing from the holders of goods the amount of their money.

At first thought one might be tempted to believe that the existence of a money market supports Mr. Nicholson's contention that under the circumstances assumed all the money would be exchanged against all the goods. Dealers in money certainly gain nothing by hoarding their goods. It is only when they loan their funds that they make the profits which are the aim of their endeavors. By putting money out of their hands, instead of by keeping it do they get gain. But the desire of the money lenders to get rid of their money does not insure their power to get rid of it. That depends upon the willingness of people to borrow. The only encouragement which the lender can offer the borrower is a low rate of interest, but that inducement cannot succeed in the long run, unless there is a genuine demand for more goods to be consumed. The desire to borrow money is but another name for the desire for more capital for investment, and that desire in the long run must be based upon a demand for more goods for purposes of consumption. But the fact that more money may be brought into circulation on account of an increased demand for goods lends no support to the view that all the money will be put into circulation regardless of the quantity of commodities or of their demand for consumption; neither does it lend support to the quantity theory, unless to the mind of a person who is inclined to defend the proposition that the demand of the community for goods depends upon the quantity of money.

Is Mr. Nicholson's second hypothesis tenable? Has he a right to assume for the purpose of arguing this question, that any commodity could become standard money which is not useful for other purposes? In favor of such an assumption he might quote such authorities as Ricardo and Mill, and, indeed, all believers in the quantity theory; for if the

value of money is a function of its quantity, it is entirely independent of the value of the material from which coins are made and derived solely from its peculiar uses. It may be affirmed also with considerable plausibility, and possibly proved, that the demonstration of the proposition, that the value of standard coins is derived solely from their use for monetary purposes, would establish the truth of the quantity theory. It is surely difficult to see what, except the quantity of money in circulation, could determine the value of standard coins, if the value of the bullion from which they are made has nothing to do with it. Certain it is that by the proposition before us we may test the truth or falsity of the quantity theory. If it should chance to be true that the value of standard coins is, after all, practically identical with the value of the bullion of which they are composed, the quantity theory cannot stand, for the value of gold bullion does not depend upon the quantity of money in circulation, but upon the marginal utility of gold; and the marginal utility of gold, though influenced by its use for monetary purposes, is not solely dependent upon that use, or dependent upon it to such an extent that any one could affirm with even an approximation to accuracy that it was a function of the quantity of gold in circulation for monetary purposes.

It is impossible to trace back to its origin the notion that the value of standard coins is independent of the value of the bullion contained in them, but the evidence points to the conclusion that the notion originated in the failure of economists to clearly distinguish between the functions of a standard of values and that of a medium of exchange. At any rate we can best reach the truth regarding the proposition before us by a careful examination of the distinction between these two functions.

The necessity for a standard of values has been denied by President Walker, but we believe that Professor Jevons clearly demonstrated this necessity when he showed that

under conditions of pure barter a price-current would be required so cumbrous, expensive and imperfect as to render exchanges on any large scale practically impossible. Such a price-current, he showed, would needs contain an expression of the value of each commodity, bought and sold upon the markets, in terms of every other commodity. Now this particular difficulty of exchange by means of barter, the existence of which President Walker admits, can be avoided only by the acquisition of the habit of quoting the values of all commodities in terms of the same commodity. This becomes evident the moment one grasps the real nature of the difficulty. In a state of primitive barter each trader is familiar with a small number of exchange ratios, and he may express these upon occasion in any way he pleases. Very likely he may express them in terms of the particular commodity or service which is the object of his own special activity.

It would be mere chance if any large number of persons should express these ratios in terms of the same commodity or service, and it would certainly happen that in every community of any size several different methods of expressing exchange ratios would be in use. A merchant, therefore, who would make an intelligible price list would needs express the value of each commodity in terms either of every other commodity, or at least in terms of all commodities commonly used for the measurement of values in his neighborhood. It is equally clear that he could avoid this difficulty only when his customers had acquired the habit of expressing ratios of exchange in terms of some one commodity. The acquisition of this habit by a community is the acquisition of a standard of values. The commodity used for this purpose simply stands as one member in every expression of exchange ratios, and that service and that alone constitutes it a standard of values. One might object that the phrase "standard of values" does not properly describe such a service, but this objection would not alter in

the slightest degree the nature of this service or the necessity for it.*

Admitting, then, the necessity for a standard of values in the sense described, the problem before us resolves itself into the question—could a community acquire the habit of quoting or describing the values of commodities in terms of something which is valueless? To ask the question is to answer it. One surely is not called upon to prove that a ratio of exchange could not be established between a valuable good and a commodity without value. Neither is it necessary to do more than to call attention to the fact that the history of monetary standards shows that only commodities of very high degree of utility and value have served their respective communities as standards.

The opinion has already been expressed that the failure of many people to grasp the simple truth that a standard of values is necessary, and that it must be a commodity of high utility and value for purposes of consumption is due to a failure to distinguish clearly and accurately between the functions of a standard and that of a medium of exchange. It is proper, therefore, that we should devote some space to a description of the real nature and service of a medium of exchange.

To this end, however, no extended analysis is needed. Professor Jevons and many other writers have clearly pointed out the difficulties of barter. Even among people who had become accustomed to quote the values of commodities in terms of a standard want of "coincidence" and of "means of subdivision" in exchanges might constitute insuperable

*President Walker insists that only some means of expressing or denominating values are needed. The following are his words: "Articles are measured against each other in respect of their several values, and it is only necessary that there should be some common denominator in which the values, thus determined, may be expressed." "Money," p. 9. He does not carry his analysis far enough to reveal the fact that, until ratios of exchange have been established between all commodities and some one commodity, there is nothing to express or denominate. The establishment of some unit, such as a dollar, a franc, or a pound as the means of expressing or denominating values must follow the acquisition of a standard of values, but could not precede it, nor be a substitute for it.

obstacles to accurate and extensive business transactions. An early method of obviating these difficulties consisted in the making and denominating of coins fashioned out of the commodity which had become the standard of values. This was a most natural method of procedure. The commodity which had become the standard must have previously been an object of universal or nearly universal desire, and, on that account, more readily exchangeable than any other commodity. This being the case people naturally acquired the habit of frequently purchasing it for the purpose of hoarding, or for no other reason than because with it they could buy what they wanted more readily than with the article or articles they traded for it. When the standard commodity came to be used frequently and on a large scale, for this purpose, the need for putting it up in convenient and properly labelled packages must have speedily become apparent, and, wherever minerals constituted the standard, some method of coinage developed.

Other methods of securing "coincidence" and "means of subdivision" in exchanges, superior for many purposes to the one just described, have been discovered in modern times, and extensively employed. Instruments of credit,—such as banknotes, checks, drafts, bills of exchange, and many varieties of government paper, also book accounts,—are nowadays used for this purpose in all civilized countries. Coin is still circulated widely and in large quantities, but these other instrumentalities easily hold the supremacy as media of exchanges. It is possible, though by no means probable, that credit instruments may come to be exclusively used for currency purposes. In that case we should have a complete separation between the instrumentalities which serve in different countries as standards of value and those which serve as media of exchanges. Whether or not, however, such a separation ever takes place, the two functions will remain, as they ever have been, entirely distinct, and without any necessary connection each with the other. A

standard of values would be a useful thing even in a state of simple barter, and standards of more or less extended use have very likely existed in communities which lacked entirely a medium of exchange.

The fact that gold, which constitutes the standard of values in the most highly civilized nations of the world at the present time, is also used in large quantities as a medium of exchange involves important consequences, one of which is that its value is greater than it would be, if it were not so used, but it does not involve the consequence that its value as a standard is entirely or, necessarily even largely, determined by its use as a medium and, therefore, by the volume of the circulation. The use of gold as a standard does not affect its value in the slightest particular. It possessed high utility and great value before it ever became a standard, and it became a standard, and still remains such, largely because of its great value for purposes of ordinary consumption. Its use as a medium of exchange affects its value for the reason that, on this account, large quantities of it are withdrawn from its ordinary uses, and thus its marginal utility is raised. If less were used for this purpose more would be available for purposes of ordinary consumption, and its marginal utility would fall accordingly; if none were used for this purpose its marginal utility would fall to that point which the state of the need for gold for ordinary purposes of consumption, together with the supply, would determine. But it might perfectly well, even then, serve as a standard of values, and, as such, as one of the chief determinants of price.*

If this view of the matter be correct, the true relation between the volume of the currency and prices is very different from that implied in the quantity theory. We may indicate it by supposing two possible cases, one of which

*The study of the evolution and functions of standards of value has received slight attention from economists and historians. Some interesting suggestions on the subject may be found in Menger's "*Grundsätze der Volkswirtschaftslehre*," Cap. viii.

represents the actual situation at the present time. First, suppose that the currency consists solely of instruments of credit of various sorts, and that the only monetary use of gold is that of a standard of values; secondly, we will suppose—what is actually true at the present time—that the currency consists in part of gold and in part of instruments of credit, and that gold is also the standard of values.

Under the conditions assumed in the first case prices would represent the ratios between the marginal utility of, say 23.2 grains of gold, and the marginal utilities of the various commodities on the markets. Directly, the volume of the currency, composed entirely of credit instruments, would have no influence upon either the marginal utility of gold or the marginal utilities of the marketed commodities. Indirectly, its influence might be great on account of the fact that a convenient and adequate medium of exchange of some sort is essential to the present organization of industry, essential in the same sense as adequate protection of life and property, enforcement of contracts, the railroad system, and a dozen other features of our complicated industrial system. For example, if the credit system should entirely collapse, the business of exchange would temporarily stop, and, for the time being, prices would be annihilated, just as they might be if our railroad system should temporarily become useless. If the credit system should be seriously impaired, without being entirely destroyed, we would experience the price phenomena of a period of crisis, phenomena which do not follow any law, but which are the result of forced sales and of the lawless and spasmodic operations of terrorized debtors and creditors. Any necessary quantitative relation between the volume of the currency and prices, either in the period of confidence or of panic it would be impossible to establish.*

* The volume of the currency depends upon the extent of the division of labor, the size of markets, the magnitude of individual transactions, and many other circumstances as well as upon prices.

A community, which to a greater or less extent employs as a medium of exchange the commodity which serves as its standard of values, will be subject to the same kind of price fluctuations in time of crisis as was the community we have just considered. The fluctuations might not be so great or so serious, but they would be the same in kind, and would be produced by the same causes, and would be just as lawless in their operations. The connection between the volume of the currency and these fluctuations would be just as slight. In ordinary times, however, in this community the level of prices would be lower than in the first on account of the withdrawal of a quantity of gold from its ordinary uses in order to pass from hand to hand in exchange transactions. The extent to which such withdrawals would raise the marginal utility of gold and thus depress the level of prices would depend upon a variety of circumstances, namely, upon all those forces, partly subjective and partly objective, which at any particular time determine the state of the marginal need for gold. Inasmuch as these forces may vary in intensity, and be combined in different ways, it follows that the withdrawal of a given amount of gold at one time might not produce the same effect upon its marginal utility as it would at another time. For example, if fashion should suddenly turn against the use of gold plate and ornaments at the same time that additional quantities of this metal were being coined for currency purposes, the one force might offset the other, and since the marginal utility of gold would remain unchanged, the general level of prices would not be affected in the slightest degree. For the same reasons the level of prices might remain unchanged, if an increased need for gold for purposes of ordinary consumption were contemporaneous with the melting down of gold coins in large quantities. In like manner it would be easy to show that the marginal utility of gold, and with it the general level of prices, might fluctuate without any change having taken place in the volume of the currency or in general industrial conditions.

The conclusions at which we have arrived are not only not in harmony with the quantity theory, but in many cases are contradictory to it. According to that theory, so long as the number of exchanges and the rapidity of the circulation of money remain the same, nothing can affect the value of the unit, and with it the level of prices, except changes in the volume of the currency. Nothing can be clearer, however, than that the marginal utility of gold may and constantly does change in independence of any or all of these circumstances. If, therefore, it be true, as we have attempted to show, that as a standard of value, gold is a simple commodity, subject to precisely the same value-determining forces as other commodities, then the quantity theory is not true, and should no longer be made the basis of reasoning on monetary questions.

It is a common belief that the phenomena of irredeemable government paper constitutes an insuperable obstacle to the acceptance of the views set forth in this paper. It remains for us to show, therefore, that these phenomena may be clearly explained without recourse to the quantity theory.

To this end we must note first of all, that government paper money is always representative money. That is to say, a government note always has upon its face a statement of some sort. In this country it is usually a promise to pay to bearer a certain number of dollars. Conceivably such notes might bear upon their faces simply the figures 1 or 2, or 3, or 10, but these figures would needs be given some definite meaning before the notes would be useful for monetary purposes. The government might proclaim that "1" should mean one bushel of wheat, or one ton of hay, or one cord of wood, or one sheep, or one dollar, or any one of these things, or some combination of these things, but it could not leave the people in the dark regarding what it did mean. As a matter of fact, the figure "1" on a government note always means the unit of value whatever at the time and in the nation in question that may be. The figure "2"

means twice that unit, etc. In other words, a standard of values suitably denominated must exist in advance, and, in consequence, a level of prices be established to start with. We have already shown that without this, exchanges on a large scale could not be executed, and that a medium of exchange of any sort, let alone one of credit instruments, would be an impossibility. Experience, many times repeated in the history of modern nations, demonstrates that a trading community already in possession of a standard of values and with an established level of prices, can get on with a medium of exchange composed entirely of so-called irredeemable paper, and that, if the credit of the issuing government is first class, and if the notes are not issued in excess of the ability of the community to make profitable use of them as media of exchanges, that original level of prices may not be at all modified. If, on the contrary, the credit of the issuing government is not first class, or if the notes are issued in excess of the need for them for the purposes indicated, then the notes will depreciate, and the level of prices will rise to the extent of the depreciation. The phenomenon which is peculiar to irredeemable paper is that of depreciation, and whatever connection one might be able to discover between the volume of such paper and the extent of its depreciation, would throw no light upon the problem of that original level of prices from which all price changes due to the irredeemable currency started.

In regard to the causes of depreciation nothing need here be said except that the quantity theory is inadequate to account for them. The credit of the issuing government, the state of the public mind regarding the propriety of the issue, and the convenience of the business world are quite as potent as the quantity of the issues.

In closing it may not be out of place to indicate briefly the bearing of the present discussion upon the question of bimetallism. From the standpoint of the quantity theorists the chief issues of the present controversy are two: Firstly,

would national or international free coinage of silver at a fixed ratio permanently increase the volume of our currency, or at any rate, prevent further contraction; secondly, granted that it would have the former result, how would the consequent (according to the quantity theory) rise in prices affect debtors and creditors, farmers and laborers, professional men and other classes? If the views set forth in this paper are correct, the critical points of the controversy are the following: Firstly, would national or international free coinage at a fixed ratio change the standard of values of this country or of the world? If it would, then prices would fall in the degree that the value of $412\frac{1}{2}$ grains of standard silver (supposing the ratio were 16 to 1) should prove to be less than that of 23.2 grains of gold, and this would happen whether the volume of currency remained stationary or were temporarily or permanently increased or diminished. Secondly, in case the standard of value were not changed, to what extent would silver be substituted for gold in the currency of this country or of the world, and to what extent would the marginal utility of gold be lowered by the quantity thus withdrawn from circulation and thrown upon the bullion market? The volume of the currency in this case as in the preceding, would be a matter of minor importance. If all the gold should be driven out of circulation, prices would probably rise considerably, while the volume of the currency might remain the same as before, or be increased or decreased. If only a part of the gold currency should be displaced, prices would rise in a less degree, while the volume of the currency, as in the other cases, would depend upon other circumstances and conditions. The truth is that the level of prices and the volume of the currency are not determined by the same influences, and it is largely a matter of coincidence if they chance to vary in reference to each other in the way indicated by the quantity theory.

WM. A. SCOTT.

University of Wisconsin.

POLITICAL AND MUNICIPAL LEGISLATION

IN 1896.

In the *ANNALS* for May, 1896,* appeared an account of the more important laws relating to state and local government enacted by the various state legislatures in 1895. The present paper presents a similar review for 1896. Reference to the previous paper may be of convenience in interpreting the significance of the enactments of 1896, especially since in it mention was made of certain prominent tendencies of legislation in preceding years. The present report covers the legislative sessions of the six states where they are held annually—Massachusetts, New York, New Jersey, Rhode Island, South Carolina and Georgia (session of October to December, 1895); and of the eight states whose biennial sessions occur in even years—Maryland, Virginia, Ohio, Kentucky, Louisiana, Mississippi, Iowa and Utah. It was to be expected that fewer important acts should be adopted last year than in 1895, when thirty-nine legislative sessions took place. We have also to note, however, the large number of unusually important constitutional amendments which were voted upon in 1896, as well as the new constitutions of Utah and South Carolina which went into force last year.

The states whose legislation in 1896 was most noteworthy and progressive, especially if judged from the point of view of their own citizens, were probably New Jersey, Louisiana, Ohio and Utah. The Legislature of New Jersey had long been conspicuously corrupt and her statute-books teemed with laws not only perverse but confused and self-contradictory. Last year a step toward better things was signalized by the fact that the bulk of legislation as compared

* Vol. vii, p. 411.

with preceding years was reduced one half and that common-sense improvements in the manner of phrasing and printing the laws were introduced. A complete revision by a special commission of the notoriously loose corporation laws, and simplifications of the municipal system, were the most important measures of the year. In Louisiana a municipal reform movement in New Orleans not merely captured the city government, but exercised such an influence in the legislature as to secure a vastly improved charter for the metropolis, as well as a secret ballot law and other progressive acts. The Ohio corrupt practices and land registration laws mark forward steps in legislation from the standpoint of the nation as a whole. Utah, on coming into the Union, adopted (at the November, 1895, election) a constitution which in its wide scope and its minuteness, as well as in its radical spirit, fairly outdoes any of the other elaborate constitutions recently adopted in western states. The fact that long articles are devoted to such subjects as labor, corporations, and trusts is typical of the general character of the document. The legislature has passed several interesting laws to carry out the injunctions laid upon it. The new South Carolina constitution, though not so radical, is scarcely less replete with provisions not properly coming under the scope of constitutional law. In Kentucky, the protracted and bitter senatorial contest limited the amount of legislation within exceedingly narrow bounds.

*Constitutional Amendments.** The general result of the popular vote on the constitutional amendments submitted last year is worthy of notice. Frequent comment has been made upon the conservatism shown by the people in their action. As a matter of fact, out of fifty-seven separate amendments voted upon only twenty-four† met with approval, although the number rejected is swollen by the

* The text of most of the constitutional amendments referred to will be found in the session laws of 1895, though some are in the laws of 1894 and 1896. Many of the citations were given in the writer's paper in the ANNALS of May, 1896.

† See foot note on page 61 concerning the Florida amendments.

fact that two states alone, Louisiana and Nebraska, defeated twenty-one. The striking instance of these states calls attention to an apparent characteristic manifested in these constitutional elections, which has received less notice, but which is perhaps more significant than popular conservatism, namely, the great lack of careful discrimination concerning the questions at issue. Several amendments presented at an election, although separately voted upon (as is almost universally required), are exceedingly likely to stand or fall together. Moreover, if we consider the action of any state on amendments for several successive years, there appears a sort of habit in the popular attitude toward them. In some states, perhaps because of general distrust of the legislature, the tradition is to vote in the negative on nearly all questions submitted; in other states the opposite tradition prevails. In 1896 Louisiana rejected eleven amendments,* Nebraska ten, Missouri four, New York, Massachusetts, Illinois, Wisconsin, Colorado and Montana one each; Minnesota adopted six, Florida five,† South Dakota four,‡ Idaho three, Georgia two, and Washington one. Only in California do we find the people adopting one amendment and rejecting two, and in Texas adopting one and rejecting one. The several amendments thus meeting a like fate often vary greatly in character and intrinsic desirability. The interest centres about one or possibly two more important propositions and the others receive little independent consideration. This was beyond question the case in Louisiana

*The Louisiana amendments covered a very large number of sections and made marked changes, but they were grouped according to general subjects into eleven propositions. The one relating to legislative powers especially contained several quite diverse provisions.

†Repeated inquiries of state officers, and of a newspaper office in Florida, have failed to secure information as to the fate of these amendments. I have judged that they were probably adopted, from the fact that in previous years amendments have been usually accepted by the people.

‡Some question was raised as to the legality of the vote in South Dakota, as a technical error in the form of the ballot had been made; but after the matter had been discussed some time, the secretary of state wrote (December 20) that the amendments were adopted, and made no qualifying comment.

last year, where the *crux* was the proposed requirement of an alternative property or educational qualification for the suffrage. The numerous amendments, which had been carefully prepared by a special commission, embraced such varying matters as the establishment of pensions for Confederate veterans, the authorization of borrowing by municipalities for parks, streets and bridges, the reorganization of certain courts, and many other subjects. The pressure for constitutional changes is still strong and the legislature, which met after the defeat of the amendments, has submitted to vote in 1898 the question of holding a convention. In Nebraska, amendments allowing the use of ballot machines and providing that five-sixths of the jury may render a verdict in civil cases, both of which would probably have succeeded if presented alone, fell along with several propositions which met disapproval doubtless because tending to increase the expense of government and the power of the legislature. The six amendments adopted in Minnesota and the four in South Dakota were perhaps all of a character more apt to appeal to the people, although in the latter state the repeal of the prohibition article largely distracted attention from the other questions. The several amendments in Oregon which had been proposed by the legislature of 1893 and approved by that of 1895, were none of them submitted to the people, the legislature having neglected, for some reason, to pass the necessary special act providing for an election to vote upon them. Delaware is now holding a constitutional convention.

Suffrage. Radical and conservative tendencies both found most noteworthy expression in the constitutional legislation of 1896. Not only did Utah, by her original constitution, follow the example of her neighbors, Colorado and Wyoming, in granting the ballot to women, but at the November election yet another adjoining state, Idaho, took the same course by a vote of about two to one. California, however, with all her radicalism, rejected woman suffrage; it is

claimed that the liquor interests considerably influenced the election. The current sessions of the legislature in Nevada and Oregon are to express their approval or disapproval of this same measure, as submitted to them two years ago. In view of the general inclination of the western states toward absolute democracy, the fact is noteworthy that Washington has followed the path marked out by California in 1894, in requiring ability to write one's name and to read the constitution as a qualification for voting. Minnesota has taken a conservative step in another direction and, by a vote in which the large foreign population is said to have generally favored the affirmative, has made citizenship a requirement for suffrage. Formerly aliens who had lived one year in the United States could vote on declaring their intention to become naturalized. Utah also adopted the citizenship qualification. A much shorter step was taken in Texas where the people approved an amendment requiring the declaration of intention to become a citizen, which could previously be made on the very eve of voting, to be filed six months before election. In Montana, however, where citizenship is already required, the proposition to require naturalization three months before election was rejected.

In the South the negro question is of course at the bottom of the movement for restricted suffrage. The South Carolina constitutional convention which met in the last months of 1895 adopted a measure which disfranchised a very considerable proportion of the colored and "poor white" population. Not only is the requirement as to voting residence high—two years in the state, one in the county, four months in the election district; not only is the payment of a poll-tax six months before election necessary; but after January 1, 1898, no one can become an elector unless he can both read and write a section of the constitution, or else has paid taxes on \$300 worth of property. Provision is made, however, for granting the franchise permanently (subject to the

poll-tax requirement) to such as prior to 1898 register and show themselves able either to read a section of the constitution or "to understand and explain it when read;" but evidently the interpretation of election officers as to what constitutes understanding and explaining is apt to be a very adjustable one. Following the precedent set by the Mississippi constitutional convention of 1890, this South Carolina constitution was promulgated without popular vote, a course that could be legally pursued under the constitution of 1868. Had it been voted upon, the same lot would doubtless have awaited the constitution as in May, 1896, befell the amendment in Louisiana which proposed almost precisely the same restrictions on the ballot.

Elections and Corrupt Practices. Two more states adopted the Australian ballot system in 1896, Louisiana and Utah. Both require the arrangement of candidates' names to be alphabetic under each office, a method tending to disfranchise illiterates in such a state as Louisiana. These same states likewise for the first time provide for registration, which is required biennially of all electors. In Utah, a house to house canvass is to be made, doubtless for the convenience of women voters. Maryland and New York have revised their election laws, but without important innovations. The vote of California on the constitutional amendment allowing the use of ballot machines was affirmative, but, probably for the reasons already suggested, the same proposition was rejected in Nebraska. Massachusetts extends her law so that the McTammany machine may be used by cities and towns for state as well as local elections; and even goes a step farther than New York had done by providing that the state shall pay for the machines when local authorities adopt them, although for 1896 the number so to be furnished was limited to fifty. At the November election some difficulty was experienced in a few cases where the system was employed, owing to ignorance or to imperfection in the machines; but in general they gave marked satisfac-

tion, especially in the cities of Rochester and Worcester where they received trial on a larger scale than ever before.

The past year added two more to the steadily growing list of states (now numbering fifteen) that have adopted more or less satisfactory corrupt practices acts. The law passed in Utah is comparatively rudimentary, copying closely the original New York act of 1890, with the bare requirement that candidates and committees report their election expenditures. In Ohio, on the other hand, the new statute assimilates the most desirable features of all the laws heretofore passed in the United States, and advances beyond them. The laws of Missouri and Minnesota are most nearly followed, but the limit of candidates' expenditures is placed at lower figures—not more than \$100 where the election is to be by 5000 voters or less, and not more than \$650 in any case whatever. Moreover, there is a new provision requiring a statement of their expenditures by all candidates for nomination, to be made before the election. Somewhat as in Massachusetts, minute regulations are laid down concerning the accounts of political committees and of those acting for them or independently disbursing money in the campaign. The act contains, however, no definition of legitimate and illegitimate payments.

State Officers and Legislature. As has been intimated, several important constitutional provisions relating to state officers and the legislature were rejected by popular vote in 1896. Thus in Massachusetts the second attempt within five years to introduce biennial instead of annual elections and biennial legislative sessions was defeated by a majority of nearly two-thirds. In Illinois the effort, vainly made at least once before, to secure to the legislature the right to propose constitutional amendments more numerous and frequently, was again defeated. It is almost impossible for Illinois to amend her constitution at all in face of the requirement that the favoring vote shall equal a majority of all the ballots cast for state officers. Defeat likewise befell

the several amendments in Nebraska allowing the legislature, by two-thirds vote, to establish intermediate courts, to increase the number of supreme and circuit court judges, to establish additional executive officers, and not oftener than once in four years to increase the salaries of such judges and officers. Whatever may be said regarding the wisdom of the restriction of legislative power in these last two instances, there can be no doubt as to the advantage of the new provision in South Carolina's constitution, which, following a precedent much less general in the South than in the North, prohibits special and local legislation. Private acts were formerly very numerous in this state. It is needless to add that Utah has placed a similar provision in her constitution.

Georgia adopted a constitutional amendment in 1896 increasing the number of supreme court judges from four to six, allowing them to sit in two divisions, and providing that they shall be elected by the people instead of being appointed. State civil service reform, which progresses but slowly as compared with other movements, made its only advance last year in Maryland, where a constitutional amendment establishing the examination system was submitted to the people at the election of 1897. The Massachusetts law for the preference of veterans in appointments, despite strong criticism made upon it, was further extended in 1896; department heads may now at their discretion appoint veterans without any examination, and must appoint those who have passed examination regardless of their relative rank. Ohio has likewise enacted that soldiers must be preferred in local civil service.

Local Government generally. In Utah a general system of county and township government was adopted in 1896, following the line of the numerous western states having the commissioner organization. In the territorial days the county court system was in vogue. A curious provision, enacted in Mississippi, requires that all county officers shall

attend the first charge of the county judge to the grand jury, and that the judge shall briefly instruct them on their duties.

New Jersey's system of municipal government has long been in a most confused and corrupt condition. The practice of legislating out of office has nowhere been so common. It is perhaps owing to the exceeding density of the population in the northern counties that the legislature, forbidden by constitution to enact special laws for municipalities, has provided so many general incorporation laws. Most states have, aside from townships, only cities and one other class of municipalities, variously called towns, villages or boroughs. New Jersey has not merely four classes of cities, but also towns, villages, boroughs and borough commissions, while her townships are in many cases given organization and powers quite similar to those of higher grades of municipalities. Moreover, several general laws, presenting considerable differences, exist side by side for the government of almost every one of these classes. Countless additional acts on special subjects have been passed, and as these have seldom specifically amended or repealed former enactments, a great mass of undigested and inconsistent legislation has accumulated, under which municipalities often stand on a very precarious legal footing. A marked change in all this will be effected by a law of 1896 which requires a special act of the legislature to authorize the incorporation of each municipality, although they are to be governed by general laws. While a more desirable reform would be a revision of those general laws themselves, till such a change is made the new practice will probably prevent some abuses. A start in the more needed movement was made last year by the repeal of all the acts for the government of boroughs and borough commissions, except that of 1878, under which all are required to reincorporate.

In Minnesota the very important constitutional amendment relating to city charters received popular approval at

the last election. This measure provides, it will be remembered, that when it is desired to organize a village into a city or to reorganize a city, the district court shall appoint a board of fifteen freeholders, residents of the municipality for at least five years, to draft a charter. This, if the people favor it by a four-sevenths majority, becomes law. The charter board is to be a permanent body; amendments proposed by it from time to time require three-fifths of the popular vote for ratification. The legislature is authorized to pass general laws paramount to local charters, but these may be of only three classes, applying to cities of more than 50,000, 15,000 to 50,000, and less than 15,000 respectively. The amendment further provides that the city council may consist of one or two bodies, but that if there be two the members of one must be elected by the entire city. This "California" system of home-rule for municipalities has found somewhat unexpected favor in Louisiana, where an act of 1896 prescribes that whenever a majority of the property owners in any city or town shall frame and petition for the adoption of a new charter, an election must be held, at which a majority vote will suffice to put it into force.

The South Carolina Legislature last year made a beginning in the general municipal legislation demanded by the new constitution, adopting acts, not in themselves of special consequence, for the government of villages of two classes. The New York Legislature failed to take action on the bills for general laws regulating second and third class cities, submitted by special commissions established for the purpose.

Two acts of 1896, though local in nature, deserve attention—the Greater New York law and the New Orleans charter. The former measure declared New York, Brooklyn and other smaller municipalities in Kings and Richmond counties to be consolidated, the act to take effect January 1, 1898. Meantime a commission of fifteen members was to prepare a charter for presentation to the legislature of 1897. This Greater New York bill, after its first passage, was

submitted to the mayors of New York and Brooklyn who, after prolonged hearings, both disapproved it. They maintained that, while doubtless a majority, though scarcely a large one, of the citizens of the proposed metropolis desired consolidation, the people were not generally in favor of uniting first and deciding on a frame of government afterward, especially if such a body as sits in Albany should have an indefinite part in that decision. After an exciting struggle in which the party whip was applied vigorously the legislature repassed the bill in spite of this double veto. It is almost impossible to foretell the nature of the charter that will ultimately be adopted, nor is it even certain that any act will be passed at the session now being held.

The new charter of New Orleans, while not entirely readjusting the relations of powers, tends to increase the authority of the mayor. Two important department heads formerly elected by the people are to be appointed by him, with consent of the city council. Certain other officers, formerly chosen by the council, are to be named by the mayor, subject to confirmation. The council no longer has the power of summary removal. The most notable feature of the act is that it embodies, almost word for word, the stringent provisions of the Illinois municipal civil service law, adopted by Chicago in 1895.* Another article requires that all ordinances granting franchises shall, after passing the council, be submitted to a board consisting of five chief executive officers, the concurrence of four of whom is necessary to approve the measure. Street railway, lighting and other important franchises must furthermore be offered at auction to the highest bidder. The forward civic movement in New Orleans is also signalized by the establishment of a commission to undertake the immensely difficult task of draining the city. The issue of \$5,000,000 of bonds is authorized.

* See *ANNALS*, Vol. vii, p. 422, May, 1896.

Special Municipal Legislation. The system of assessments to cover the cost of local improvements, so universally popular in the North, has been somewhat slower in winning its way in the southern states. In Virginia some of the many special municipal charters formerly authorized local assessments, but a law of 1896 first allows all cities and towns to make use of this method. South Carolina last year joined the numerous states which authorize municipalities to erect lighting and water plants. In South Dakota a constitutional amendment was adopted extending the debt limit of all local authorities for the purpose of supplying water for irrigation or domestic use. A rather strict limitation upon the granting of street railway franchises is that established by Louisiana, where a popular vote is requisite in cities and towns of less than 10,000 population. Ohio has partially followed the example set by Missouri in 1895, enacting that upon the consolidation of street railways the city or village may limit the fare over the entire line to five cents, with special rates for school children, may require a system of transfers, and may, moreover, every fifteen years, readjust the rates of fare and the percentages to be paid for the privilege. Amendments of interest were made in New York to the act of 1891 providing for an underground railway in the metropolis. The matter is dragging along very slowly, owing largely to the fear that should the city itself undertake to construct the system its debt would be carried beyond the constitutional limit. The too long delayed movement to restrict the height of buildings in cities is making some slight progress. Massachusetts, which already, in 1892, fixed 125 feet as the maximum for buildings in Boston, has now provided that along parks and boulevards in any city or town the height may not exceed 70 feet, and may be further limited by municipal ordinance. Considerable agitation on the subject is being made in New York.

General Legislation. Without going into such detail as we have done with legislation directly affecting municipal

and political affairs, it may be of interest to refer briefly to a few other noteworthy acts of 1896.

Of special importance is the Torrens land registration law of Ohio. This is not, as was the Illinois act of 1895, a local option measure, but every county is required to furnish the necessary books so that whoever wishes may have his land entered. The Illinois statute has meantime been declared unconstitutional by the supreme court. The general principle is not impeached, but certain provisions, notably that giving powers of a judicial nature to the county recorder, are criticised. This last difficulty was avoided by the Ohio Legislature, which turned over to the courts the primary determination as to the validity of the land titles. Utah and Maryland have established commissions to investigate this subject; Massachusetts continues to postpone action on the report of her commissioners. Two states, Ohio and South Carolina, have taken what, on their face, promise to be the first really effective measures to prevent lynching. These acts provide that officers in any way conniving shall be summarily removed and disqualified for any public position. They grant to the person injured by a mob, or to his heirs, a right of action for damages against the county, whether the officers are culpable or not, and the county may recover such damages from persons participating in the affair. Georgia has adopted a less satisfactory law designed to check this evil.

In connection with the repeal in South Dakota of the article of the constitution prohibiting the sale of liquor, may be noted the fact that the Iowa Legislature of 1896 refused to approve the prohibition amendment proposed by its predecessor in 1894, or to modify the present anomalous system. The new Raines liquor law in New York transfers the power to grant licenses from the local authorities to a state department, increases the rates, and provides that a considerable proportion of the revenue from this source (amounting to about \$4,000,000 for the first year)

shall go to the state. The act also authorizes township local option.

Utah and South Carolina have reorganized their public school systems, while the department of education in New York City has been remodeled with decided improvements. New York extends further the provision allowing the instruction of pupils at the expense of their home districts in the schools of other districts having better facilities, and following the lead of Massachusetts allows the cost of their conveyance to and fro to be a public charge. Iowa and New York have authorized any school district to establish free kindergartens, a measure previously adopted in three or four states. Kentucky has enacted her first compulsory education law.

Among the many improvements in the corporation laws of New Jersey are the new requirements that at least one director shall reside in the state and that the chief office must be located there. It will no longer be so easy to make New Jersey the legal home of countless more or less reputable corporations that never transact a stroke of business in the state. South Carolina and Utah have also revised their corporation laws. In California the attempt to amend the constitution so as to limit the liability of stockholders to the face value of their stock was defeated by the people.

The new tax law of Maryland introduces the system of listing personal property. Mortgages are to be specially taxed by the state at eight per cent on the amount of their interest, with special safeguards to prevent shifting to the mortgagor. An apparently rather impractical provision of this act, that bonds and stocks should be assessed to the general property tax in precise proportion to their nominal rate of interest, was amended by another law, approved on the same day as the first, so as to make such securities assessable at their actual value in the market. Virginia and Iowa join the dozen or more states having the collateral inheritance tax; in each case five per cent is imposed, but

in Iowa estates of less than \$1000 are exempt. Ohio, which has been very conservative in adopting new forms of taxation, has levied a tax of one-half of one per cent on the gross earnings of light, water, pipe-line and railway companies. In Minnesota a constitutional amendment was adopted authorizing special modes of taxing various corporations; the tax may be progressive.

In New York the contract system of prison labor was prohibited. Prisoners are to manufacture articles exclusively for use in other state institutions. Ohio also established a commission to further the distribution of prison-made products to other institutions. Kentucky which, like other southern states, has been backward in the treatment of criminals, establishes reform schools for boys and for girls. South Carolina's new constitution contained several sections relating to railways, and acts putting these into effect were passed by the legislature. Perhaps the most important limits first-class passenger fares to $3\frac{1}{4}$ cents and second-class fares to $2\frac{3}{4}$ cents.

E. DANA DURAND.

New York State Library.

PERSONAL NOTES.

AMERICA.

Boston.—Dr. Francis A. Walker, the eminent economist, President of the Massachusetts Institute of Technology, died at his home in Boston, January 5, 1897. A sketch of his life appeared in the *ANNALS** for September, 1892, on the occasion of his appointment as delegate of the United States to the International Monetary Conference, at Brussels. It should be noted that he declined the appointment. In the years which intervened between 1892 and his death, Dr. Walker was the recipient of additional academic honors, the degree of LL. D. having been conferred upon him by the University of Edinburgh and that of Ph.D. by the University of Halle in 1894. In 1895 the International Statistical Institute added a third vice-president to its list of officers, and elected President Walker to fill the place. To the last years of his life we owe quite a number of vigorous articles in magazines and periodicals, and his work "International Bimetallism," published in 1896. His personality is remembered elsewhere in this issue of the *ANNALS*, and it is hoped at a later day to present an estimate of his pre-eminent services to the cause of economics in America.

Rollins College.—Rev. George Morgan Ward has been elected President of Rollins College (Florida), and appointed Professor of Political Economy and Law in that institution. Professor Ward was born May 23, 1859, at Lowell, Mass. He studied at Harvard College from 1877 to 1879, and at Dartmouth College from 1880 to 1882, receiving the degree of A. B. from Dartmouth in 1882. He also received the degrees of A. M. from Dartmouth in 1885, LL. B. from Boston University Law School in 1886, and B. D. from Andover Theological Seminary in 1896. Mr. Ward was admitted to the Massachusetts Bar in 1885. From 1885 to 1889 he was editor of the *Golden Rule*; from 1892 to 1895 he studied at the Andover Theological Seminary, and in the winter of 1895 engaged in post-graduate work at Johns Hopkins University.

University of Pennsylvania.—Dr. James T. Young was appointed in September last, Instructor in Administration at the University of Pennsylvania. He was born in Philadelphia September 23, 1873, and obtained his early education in the public schools of that city. He attended the University of Pennsylvania, where in 1893 he received

* See *ANNALS*, Vol. iii, p. 238.

the degree of Ph. B. After pursuing graduate work abroad at the Universities of Berlin, Berne and Halle, he took the degree of Ph. D. at the latter institution in 1895, and spent some time in further study at Paris. Dr. Young is a member of the International Association for Comparative Economics and Jurisprudence of Berlin, and of the American Economic Association. He has written :

"Der Staatsdienst in Deutschland, der Schweiz und den Vereinigten Staaten." Pp. 134. Halle, 1896.

Ursinus College.—Dr. William C. Mains was, in September last, appointed Professor of History and Political Science at Ursinus College, Collegeville, Pa. He was born at Mexico, Oswego County, N. Y., September 3, 1871, and was prepared for college at the Adelphi Academy, Brooklyn, N. Y. He entered the New York University in 1888, and received the degree of A. B. in 1892. After graduation he remained a year at New York University, holding the Classical Fellowship. In the year 1893-94 he was Professor of History and Political Science at the University of Denver, Colo. He then went abroad and after spending two years at the Universities of Berlin and Halle, he received in 1896 the degree of Ph. D. at the latter. Dr. Mains is a member of the American Economic Association and of the American Academy of Political and Social Science. He has written:

"Die Sociale Thätigkeit der Heils-Armee im dunkelsten England." Pp. 41. Halle, 1896.

BOOK DEPARTMENT.

NOTES.

ONE OF THE LATEST short French histories is from the pen of Mr. George Burton Adams.* Into 345 pages the author condenses a very clear and fairly well balanced account of the development of the French nation from the time of the Frankish conquest to our own day. During the great part of this period the history of France was vitally connected with the history of Europe, and this fact has forced the writer to condense into even briefer space his account of things French in order to incorporate in his book some mention of the events of European importance, in the light of which French history is alone comprehensible. Considering the limitations which the treatment of the book imposed upon the author, this last volume is an excellent contribution to that class of literature which appeals to the superficial general reader rather than to the serious student.

M. GOMEL, WHOSE "History of the Financial Causes of the French Revolution" was so favorably received a few years ago, has added another volume† to his series, detailing the financial history of the Constituant Assembly during the year 1789. The chief contention of the author in this volume is that lack of able leadership was a more potent cause in bringing about the violent revolution which soon developed, than any of the circumstances which made some change in the political and social organization of France necessary. His sketch of the financial heresies which were rife in France during the first year of the Revolution adds very little to our knowledge of the period, but has the merit of bringing together in concise form much information that was widely scattered in other histories. The author's tone in criticising men and measures is perhaps a little too severe and does not take sufficient account of the trying times about which he is writing.

* *Growth of the French Nation*. By GEORGE BURTON ADAMS. Chautauqua Reading Circle Literature. Pp. 345. Price, \$1.50. Meadville: Flood & Vincent, 1896.

† *Histoire financière de l'Assemblée Constituante*. By CHARLES GOMEL. Vol. I, 1789. Pp. xxxv, 565. Paris: Guillaumin et Cie, 1896.

THE LATEST ADDITIONS to the convenient series, entitled *Petite Bibliothèque Économique*, are volumes containing biographical notices and extracts from the works of Quesnay and Léon Say. The first* is edited by M. Yves Guyot, and the last† by M. J. Chailley-Bert, the editor of the series. Like previous volumes these two works make no pretensions to originality. M. Guyot gives, in his "Introduction," a very complete account of Quesnay's life and writings and a very just estimate of his importance as an economist.

In addition to the well-known "*Analyse du tableau économique*" and "*Maximes générales*," he has reprinted Quesnay's less known essay on "*Le droit naturel*," which contains some hint of the general philosophical scheme which lay back of his economic system.

The selection of materials for the volume on Léon Say, a bibliography of whose writings covers twenty finely printed pages at the end of the book, offered a problem of greater difficulty. The editor has contented himself with reprinting five of Say's articles on public finance and summarizing the latter's views on other economic questions in his "Introduction." Born in 1826, Léon Say belonged to that group of statesmen who felt a personal responsibility for the success of the French Republic. It would be difficult to overestimate his services to France as citizen, statesman and author. In describing them M. Chailley-Bert is at once appreciative and critical. He writes as pupil and friend and not merely as a fellow economist. To American readers the last selection in the book, on the "tariff," will prove most interesting, since it contains an elaborate defence of free trade from a non-English point of view.

IN THE FIRST "*Rapport de l'Administration des Monnaies et Médailles*," the French government has published a document of interest to students of the monetary situation. The publication is in part a fulfillment of the terms of the treaty forming the Latin Union, one of whose articles provides that the French government shall publish from time to time documents relative to the production, commerce, coinage, etc., of the precious metals. Hitherto this duty has been somewhat neglected but in deference to the representations of the other governments and to the wishes expressed at the meeting of the International Statistical Institute in Berne in 1895, the French government has decided upon the issue of an annual report similar in many respects to the documents published by the director of the

* *Quesnay et la Physiocratie*. By YVES GUYOT. Pp. lxxix, 99. Price, 2 fr. 50. Paris: Guillaumin et Cie, 1896.

† *Léon Say; Finances publiques Liberté du Commerce*. By J. CHAILLEY-BERT. Pp. xlv, 280. Price, 2 fr. 50. Paris: Guillaumin et Cie, 1896.

United States mint. The distinguished economist, Mr. Alfred de Foville, is at present director of the French mint and this is a guarantee that the publications are to be placed upon a scientific basis. The present report, in three parts, deals with the monetary phenomena of France, of the other nations of the Latin Union, and finally with the other countries of the earth. Statistical tables occupy a large part of the work. After giving in great detail the statistics of France, we find for other nations a statement of the monetary system, of the coinage of recent years, the exportation and importation of the precious metals and so far as practicable their industrial and artistic consumption, and finally a valuation of the existing monetary stock. The final tables are a summary for the year of the facts given in the preceding tables. The author in his general tables draws largely upon the "Report of the Director of the Mint," though in the future the facts will be determined as they are for the year 1895, directly by the French office. The report is a valuable contribution to our knowledge of monetary conditions and will at once take a place for monetary students beside the publications of our own and the British mint.

THE REPORT OF THE United States Commissioner of Navigation for 1896* is a valuable document written in the vigorous style which has characterized previous reports. The Commissioner repeats the recommendation, so ably supported in last year's report, that vessels of foreign construction be admitted to American registry and suggests a Congressional committee to inquire into the effects of the present prohibition in keeping down our carrying trade on the Pacific. Great Britain and Japan are rapidly increasing their trade on the Pacific, while we seem to be making very little headway. Pending this Congressional inquiry, the Commissioner recommends that the act of May 10, 1892, in accordance with which the "Paris" and "New York" were admitted to American registry, be so modified as to permit other foreign-built ships of lighter tonnage and slower speed to be admitted to registration under the American flag. The Commissioner would place only three conditions upon the admission of foreign-built vessels: That an equivalent tonnage be constructed in American shipyards; that American ownership of the foreign vessel be established; and, that foreign-built ships thus admitted be prohibited from engaging in the coasting trade of the United States.

The Commissioner also renews his recommendation concerning the concentration of the various marine bureaus of the United States government, under the supervision of an Assistant Secretary of the

* *Report of the Commissioner of Navigation to the Secretary of the Treasury, 1896.* Pp. 233. Washington: Government Printing Office, 1896.

Treasury. At present, the Bureau of Navigation, the Marine Hospital Service, the Bureau of Immigration, the Light House Board, the Revenue Cutter Service, the Steam Boat Inspection Service and Life Saving Service are independent of each other and are under the supervision of three assistant secretaries of the Treasury. The result of this distribution is, that in many matters it is very difficult for the marine bureaus to co-operate because there is no single person short of the Secretary of the Treasury, through whom concurrent action can be secured.

The most prominent feature of the report is the extended argument made by the Commissioner against discriminating duties. The prominent place given to this question by the political conventions in seventeen states and by the National Republican Convention, induced the Commissioner to set forth as fully and as clearly as might be done, the arguments against the revival of such duties. The more important conclusions reached by the Commissioner, are: That "reciprocity has always been the policy of the United States," and that "discrimination was resorted to only in retaliation for discrimination by other nations against our shipping;" that "the increase in our shipping from 1789 to the war of 1812 was due to foreign wars and our position as a neutral power," that "our share in our own carrying trade from 1816 to 1831 remained practically the same, varying 2 or 3 per cent from year to year as does any commercial business;" that "our growth as a maritime nation was between 1820 and 1860 under the policy of reciprocity;" that "we increased our tonnage for foreign trade at more than double the rate at which Great Britain's tonnage increased; we increased our share of Great Britain's general carrying trade, while her own share was reduced; we controlled more than three-fifths of the direct carrying trade between the United States and Great Britain, we equaled Great Britain in tonnage built." The Commissioner contends that our present condition as a maritime power is due "in a large degree to the damage actually done to our foreign trade by the civil war, and to the refusal to allow 800,000 tons of American-built vessels, sold to foreigners during the war, to return to the land of their builders and their original flag." Among other causes cited, is the change from wooden vessels to iron and steel ones, which for a considerable period Great Britain could produce more cheaply than we.

The most important part of the appendix of the report is that in which the reciprocity articles of the treaties of the United States with foreign nations are given. The volume is one that does credit to the Bureau of Navigation and merits the careful perusal of every one interested in the promotion of the carrying trade of the United States.

THE REPORT OF THE Interstate Commerce Commission for 1896* contains an excellent review of the progress of federal regulation of railway transportation during a year marked by judicial decisions of exceptional significance. By the decision of the Supreme Court in the Import Rate Case, the Interstate Commerce Commission *vs.* the Texas & Pacific, announced March 30, 1896, the court refused to enforce an order of the Commission prohibiting the Texas & Pacific, and other companies, from charging a lower rate on imported than on domestic goods. The Commission greatly regrets this decision and believes it "opens the door to manifold and unjust abuses" that can be excluded only by an amendment to the Interstate Commerce Act.

The decision of the Supreme Court in the Social Circle Case, the Interstate Commerce Commission *vs.* the Cincinnati, New Orleans & Texas Pacific Railway Co., *et al.*, also rendered March 30, 1896, was hardly less important than the decision in the Import Rate Case, and likewise makes desirable an amendment to the act for the regulation of railroads. In one point the court strengthened the regulative power of the Commission by declaring that "line" as used in section four of the act refers to the continuous line formed by connecting carriers for the movement of interstate traffic and not to the several parts thereof owned by the individual carriers; but in another part of the decision the court overruled the contention of the Commission that it has not only the negative power of declaring a rate charged by a railroad to be unreasonable, but also the positive power of naming the rate that is reasonable. The language of the court was such, however, that the Commission still has hopes of establishing its power to fix maximum rates under the present act.† To place the power of the Commission beyond question it recommended that Congress amend the law and definitely give the Commission power to prescribe what is lawful in respect to "rates, fares, charges, facilities or practices."

By the decision of the Supreme Court, March 23, 1896, in the Brown Case, the ability of the Commission and the courts to compel witnesses to testify was fully established, and the power of the Commission to investigate made as complete as the framers of the act of 1887 intended.

To the discussion of these three decisions a third of the report is given. Another third of the report is occupied with a review of the work of the Commission during the year, ten pages being given to an account of its investigation of grain rates at Missouri River points.

* *Tenth Annual Report of the Interstate Commerce Commission*, December 1, 1896. Pp. 117. Washington: Government Printing Office, 1896.

† Cf. ANNALS, January, 1897, p. 107.

This investigation revealed the existence of many objectionable practices and discriminating rates, due for the most part to the conditions of competition under which the grain carrying was being done. The reorganized Western Traffic Association is now trying to terminate the worst forms of discrimination.

The report contains among other things of interest a discussion of railway associations and traffic agreements, and an outline of the organization and work of the railway departments for the relief and insurance of employes.

The four more important of the nine amendments that the Commission recommends Congress to make to the Interstate Commerce Law are (1) That the procedure of the courts in enforcing orders of the Commission shall be confined to the record made up of the testimony taken and proceedings had before the Commission; (2) That when the Commission, after giving the carriers concerned a full hearing, "has determined what is unlawful, it shall be its duty to prescribe what is lawful in respect to" rates, etc.; (3) That the Commission be given the power to prescribe a uniform classification of freight; and (4) That a cumulative fine be imposed on carriers that neglect to submit their annual report by September 15.

THE LAST VOLUME of the new revised edition of Villari's "*Machiavelli*"* has appeared. There are, as in the preceding volumes, few changes except in detail. Some new documents have been added in the appendix, notably some of the letters of Acciaiuoli, the representative of Clement VII and of Florence in France in the year 1526.

REVIEWS.

The Historical Development of Modern Europe from the Congress of Vienna to the Present Time. BY CHARLES M. ANDREWS, Associate Professor of History in Bryn Mawr College. Vol. I, 1815-1850, Pp. 457. Price, \$2.50. New York: G. P. Putnam's Sons, 1896.

The historian may, as Horace says of the poet, aim primarily either to please or to instruct his readers, for history may be conceived in two radically different ways. It may be looked upon as an account of the conspicuous and picturesque events of the past, with little regard to their real significance, or it may be viewed as the attempt to discern the fundamentally important, but often quite obscure and gradual movements that have made for progress. I do not know that I have ever seen so long an historical treatise as that of Dr. Andrews,

**Niccolò Machiavelli e i suoi Tempi illustrati con nuovi Documenti.* By PASQUALE VILLARI, 2d Edition, revised and corrected by the author, Vol. iii, Pp. 578. Price of complete work, 15 lire. Milan: U. Hoepli, 1897.

which adhered more consciously and consistently to the second ideal. His work belongs to the same class as, Lamprecht's "*Deutsche Geschichte*," a type of book which is characteristic of an essentially modern and scientific conception of history.

While Dr. Andrews makes no claims to have based any considerable portion of his treatise upon original sources, he is eminently fitted by scholarly training in the use of historical material to exploit, for the benefit of the English reading public, the results reached by the ablest continental investigators.

The difficulty of presenting in a clear and concise form the essential elements of the rapid and complex changes in a half a dozen of the great states of Europe during the past seventy-five years, is so great that any one who solves the problem with even a tolerable measure of success deserves our respect. Yet, measured by the standard of conciseness, skillful arrangement, true perspective and philosophic grasp, Dr. Andrews' treatment furnishes not only an admirable account of the period, but is the best account we possess. Fyffe's "Modern Europe," in spite of qualities which endear it to many of us, is sadly wanting in proportion and symmetry and is often confused, if not inaccurate. It is not necessary to speak of such works as Bulle's "*Geschichte der neuesten Zeit*," for although perhaps the most careful and detailed account of the period it would for obvious reasons rarely come into the hands of American or English readers, nor would it satisfy their needs, if it were available.

Dr. Andrews has chosen, and upon very good grounds, to arrange his work, not chronologically, but with a regard to the course of national and of international currents of change. His arrangement is skillful, and I believe on the whole original. After a very judicious introductory résumé of the Revolutionary and Napoleonic period up to the departure of Napoleon for Elba, the author devotes a chapter to Europe during the thirty or forty years succeeding the First Peace of Paris. This insures a continuity which is too often sacrificed by an artificial break made by historical writers, at the close of the Congress of Vienna. The period of European concert, as expressed in the reconstruction of Europe and the theory of *Intervention*, is thus regarded, as it should be, as a whole. A second advantage is derived from this method of treatment since it is possible to deal with the relations of the central European states to the outlying countries of Spain, Greece, Poland, Hungary, etc., which cannot well be considered by themselves. This chapter thus best subserves the interests of the reader, while it leaves the writer free to take up in separate chapters the internal changes in France, Germany and Italy previous to 1848. The revolutionary

movements of 1848-49 tax every power of the historian, for it is necessary to show the constant interdependence of a dozen intricate political, constitutional, military and national movements, each with its own peculiar antecedents and characteristics. Dr. Andrews, after disposing of the most independent of the movements, that in France, cleverly chooses Vienna as the unifying element in the course of affairs, not only in Austria but in Germany and Italy as well. In this way he brings together in perhaps their truest relations, a series of divergent and independent events, which were, however, far too intimately associated to be treated by themselves.

The peculiar excellences of Dr. Andrews' book, imply, however, some drawbacks. Its strictly logical order and studious regard for the essential will preclude, it is to be feared, any except the rather experienced reader from deriving from it what he should. He must already be somewhat familiar with the externals at least of the history of modern Europe, not because these are necessary to *understand* Professor Andrews' eminently clear and philosophical presentation, but because they serve to illustrate, reinforce and give concreteness to rather abstract statements, which will otherwise scarcely sink into the memory. The writer has, in short, done his work so completely that the mind of the reader is not aroused to the activity which leaves a lasting impression. All that is said, for example, of the "July days" is said between commas, or by way of parenthesis. Fyffe, on the other hand, and it is his great merit, uses the events to illustrate tendencies and conditions. If we would do the greatest number of readers the greatest possible good we must not altogether divorce the important from the picturesque.

"Omne tulit punctum qui miscuit utile dulci."

JAMES HARVEY ROBINSON.

Columbia University.

The United States of America, 1765-1865. By EDWARD CHANNING, PH. D. Cambridge Historical Series. Pp. ix, 352. Price, \$1.50. London and New York: The Macmillan Co., 1896.

To successfully compress the history of the United States, into the brief space of three hundred pages, is a task so difficult, that few of our historians would willingly undertake it. Such a work should attempt to give no more than a bird's-eye view of the field, and should pass over in silence all minor details. With this thought in mind the reviewer is at a loss to know what to say of a book in which the proportionate estimate of events is such, that considerably more than a third of its pages are devoted to the first twenty years of our history, that passes over, in a scant eighty pages, the mighty period beginning

with the discussion over the new Constitution and ending with the "accession" of Jackson to the throne of power, and that covers the remaining years, including, of course, the struggle over slavery and the Civil War in the hundred that are left. That Professor Channing's book is lacking on the side of perspective must be one of the faults connected with this uneven treatment of different periods.

Professor Channing, however, has written so readable an account of the causes of the Revolution, and of the social conditions out of which it took its rise, that one may well overlook the faults that are so conspicuous in his later chapters. It is pleasing to note, too, in this age of newspaper warfare, that so little space is given to the mere details of battles. Instead of the usual account of the fights and skirmishes of the Revolution we have an interesting comparison of the military qualifications of the American and British leaders, and an estimate of the character of the contest, wherein, while due credit is given the importance of foreign aid to the cause, Professor Channing ascribes the successful issue to the genius of our generals and the courage of our soldiers. Furthermore, we welcome the emphasis that is placed upon the fact that the philosophy of the Declaration of Independence is English and not French.

Space is lacking to do more than note the author's failure to adequately describe the economic importance of the formative period from 1815 to 1840, in which we include the growth of the West to political power; to draw attention to the appreciative treatment of the slavery discussions, with their attendant evil, the bullying war with Mexico; and to add that the chapter devoted to the Civil War is a well condensed narrative. Three excellent maps accompany the text.

Of errors of statement we have noted several, but in a general work they are unavoidable. The printer is no doubt responsible for making Lee move the resolution of independence on June 17, and for changing the time of the postponement of its consideration from three weeks to two (p. 86). But we fear he can hardly be held accountable for putting the events of Arnold's treason in the year 1779 (p. 95).

HERBERT FRIEDENWALD.

Philadelphia.

Guide to the Study of American History. By EDWARD CHANNING and ALBERT BUSHNELL HART. Pp. xvi, 471. Price, \$2.15. Boston: Ginn & Co., 1896.

The syllabi issued for the students in the American history courses at Harvard University have been well known and highly esteemed for several years. To these syllabi, revised and adapted to their new purpose, Professors Channing and Hart have prefixed a series of brief

articles on the general bibliography of American history and the best methods of giving instruction in this subject, to form the book under review.

The pedagogical part of the book is eminently thoughtful and suggestive. The terse and compact way in which the results of the authors' experience are put, is altogether admirable. To many teachers, especially those in secondary schools, this book will furnish a stimulus to far more enlightened work than has been done hitherto. It opens a wide field of possibilities in the teaching of history which will come as a revelation to many; while its constant insistence on the essential difference between high-school, college and university work, will serve to check ambitious teachers from attempting too much.

The first of the three parts into which the book is divided, is entitled "Methods and Materials." The authors recognize that "the material is still much disorganized, and methods of dealing with it are in many places crude and unformed. To open up highways and foot-paths into this literature, and thus to contribute to sound learning and accurate judgment of cause and effect, is the purpose of this work." After calling attention to the fact that the importance of the study of American history has but recently been recognized in our system of education and defining the extent and position of American history, the authors discuss methods of teaching history in general. Among other happy descriptions in this part of the book is the following:—"Historical reading is like the making of Japanese lacquer work; one imperceptible coating is added to another; by and by it is found that where the layers are most numerous, a pattern stands out in relief. The effect left in the mind from reading many books on the same subject is a picture in which the shades are the spots on which all or most of the authors have touched." The characteristics of a good textbook are explained (p. 41) more clearly than we have found them elsewhere, while proper importance is assigned to the study of physical geography and the use of maps. The sections on the use of libraries, methods of note taking, and reports from students, are especially useful.

The second and third parts of the book are devoted to "Topics and References to Colonial and United States History," down to the year 1865. A brief syllabus of the important points in each subject is given and the references follow, divided into the following classes: general, special, sources and bibliography. Occasionally a brief but luminous criticism is given of the books to which reference is made. This part of the work will be found very valuable to teachers in aiding students to prepare reports.

In a book so loaded with multifarious detail, it is inevitable that

there should be omissions. The South has kept quiet too long about its past; but that is no reason why Northern scholars should not be familiar with what has been written on Southern subjects. This book sins less than most, yet references to Southern works are unduly meagre. For example, the publications of the Filson Club are not found under Kentucky. Cable's "Creoles of Louisiana," is classified as an historical novel (p. 141). Under Maryland, no mention is made of any of the following: Scharf's "Western Maryland," his "Baltimore, City and County;" Alexander's "British Statutes in Force in Maryland;" Kilty's "Report on British Statutes;" Kilty's "Landholder's Assistant;" "The Proceedings of the Conventions of 1774-76;" Ridgely's "Annals of Annapolis;" Riley's "Ancient City." If it be objected that these books are not of the greatest importance, the answer is at once ready that books of the same grade on Massachusetts' history are mentioned. The *Maryland Journal*, which is still published under the name of the *Baltimore American*, is killed off by this work in 1797. Norris' "Digest of Maryland Decisions," published in 1847, is referred to, instead of Brantly's, published in 1895.

Mention is nowhere made of the useful summaries of American historical bibliography, which have appeared for years in the "*Jahresberichte der Geschichtswissenschaft*." Other omissions are: Poole's noteworthy article on Witchcraft in the *North American Review*, Bulkeley's "Will and Doom," which is reprinted in the Collections of the Connecticut Historical Society, and the series of "Contributions to American Educational History," edited by Professor H. B. Adams.

Occasionally, a book is referred to in one only of two places, when we would expect to find it in both. For example, the Collections of the New Haven Colony Historical Society are found under learned societies, but not under Connecticut. The valuable posthumous work of Brinton Coxe on "Judicial Power and Unconstitutional Legislation" is mentioned on page 290, but not on page 358. Browne's "Maryland" is referred to on page 62, but not on page 254. The North Carolina Colonial Records are mentioned on page 115, but not on page 106.

The separation of biographies from autobiographies is unfortunate, as it makes a search in two alphabets necessary to obtain the references to any one man. On page 120, by a singular mistake, Wallace, instead of Otto, is given the authorship of United States Reports, Vols. 91-107. On page 109, it should be noted that Maine is included under Massachusetts. Emancipation was not "accomplished" (p. 320) in Connecticut in 1784, nor in others of the Northern States at the

dates given. The gradual process was *begun* by laws passed at the times referred to. Typographical errors are numerous, as is natural in the first edition of a work containing so many titles of books, proper names, and numerals. The text is usually up to date, but there are occasional lapses, as (p. 54) where it is stated that there is no complete collection of presidential proclamations. The valuable collection now printing at the Government Printing Office should not be overlooked.

These defects, however, are only spots on the face of the sun. The book is sure to be a great help to every teacher, who will use it intelligently, and furnishes a convenient manual for every student of American History.

BERNARD C. STEINER.

Johns Hopkins University.

Outlines of Economic Theory. By HERBERT JOSEPH DAVENPORT. Pp. xii, 381. Price, \$2.00. New York: The Macmillan Co., 1896.

This is a book which appeals to the advanced student rather than to the beginner. While the style is usually clean cut and often striking, the language and terms employed would make hard reading for any one to whom economic concepts were new. This is not necessarily a fault, as most attempts to elementalize, so to speak, economics, have resulted in a sacrifice of manly strength.

The volume has the text-book arrangement. Preceding each chapter is a list of questions, designed to quicken the reader's mind preparatory to the formal discussion. A list of suggestive questions also follows each chapter and each important section, designed as a review and to suggest applications to current topics. One feature is new and valuable. From two to four pages at the close of each chapter are given to selections from the writings of the great economists of all lands bearing on the subjects just discussed. These selections are made with discretion and are a helpful adjunct.

The book is divided into two parts, economics as a science and economics as an art. This division is not made to enable the economist to divest himself of his professional character, and allow him full swing as a man or social philosopher, but is designed to solve difficulties which face the economist as such. It is essentially a difference in standpoint.

The traditional arrangement of the subject matter is disregarded. No special part is devoted to the discussion of production. After treating of value following preliminary considerations, our author at once takes up the subject of distribution, and ends the theoretical part with international trade, monopoly, taxation and currency. His general treatment of theoretical questions is abreast of the latest work.

To one familiar with Clark, Marshall and the work of the Austrians, there is little that is new. Sidgwick, Marshall, Courcelle-Seneuil, Clark, Jevons and Böhm-Bawerk supply for him the larger part of the quoted matter.

In his treatment of value the author recognizes demand as a leading force in economic activity. He is explicit in rejecting the doctrine that value is the measure of utility. It is not clear, however, that in thus rejecting Clark he fully understands him. To Mr. Davenport value is the measure of the sacrifice involved in obtaining utility. He later explains that he has in mind usually not the sacrifice of mere effort, which would explain value only in case there was a "clear chosing between the indisposition to labor and the gratification of some particular desire." But he has in mind cases in which exertion is certain, and the sacrifice involved in obtaining one thing is the deprivation of another thing; in such cases the measure of the value of the thing obtained is the sacrifice of the unattained thing. As it stands, the statement does not seem to be true. The idea needs further development. Whether the negative loss of gratification is to measure value will depend upon whether it is more or less important than the sacrifice of effort, as Böhm-Bawerk has shown. In case loss of gratification is felt less acutely than pain of effort, would it occur to us to use the former as our yardstick? But there is some doubt whether, even in case the loss of gratification were greater than the pain of effort, it is correct to employ the use foregone as our measure, because it involves our saying that we sacrifice what we enjoy. This for the reason that if our economic activity has been guided by considerations of reason, out of a number of gratifications of different degrees obtainable for a given amount of effort, we must have chosen the maximum gratification. Being the maximum it includes any one of the lesser and more.

Defining cost of production as the "sacrifices of other possible values producible by the application of the same productive energies," there seems to be an inconsistency in the treatment of value and costs. According to the above definition, and the author's own law of value, it would appear correct to say that value is determined by cost of production. But the whole force of the argument at this point is to make cost of production, as interpreted by sacrifice, a subordinate and secondary cause of value. With this most of us would agree, for "none of the forms of compensation attributed to productive forces are to be regarded as primarily causal elements in market values, but rather as distributive shares received by different co-operating factors out of the apportionment of the value product. Wages and interest, as well as rent, are compensation and not cost—result and not cause.

In distribution demand is recognized as the ultimate force. Society exercises choice among industries by showing a disposition to sacrifice some goods in order to obtain others. Society thus determines the quality and kind of productive energies which may be remuneratively applied to different industries. Hence market values in all industries fix the apportionment in each. The remunerations in each industry must be sufficient to induce some sharers to refuse the remunerations possible in other industries.

From this point of view he rejects Ricardo's statement that the "corn which is produced by the greatest quantity of labor is the regulator of the price of corn," and says that the price of corn is the regulator of the quantity of productive energy devoted to producing corn. To this extent he sets aside the view that market price is fixed by the marginal cost of production. Price simply determines what costs may be undertaken.

Rent comes under the general law of value. Both rest upon supply and demand. Different rents are paid for difference of advantage in use. As to wages each laborer determines for himself what activity will yield the maximum of result with the minimum of sacrifice. The individual motives which determine the sacrifice element are legion, and they only affect wages as, by affecting the supply of laborers, they affect the market supply of the goods produced. Hence wages are determined by the causes which modify the demand for particular goods, and the supply of labor energy. The same line of reasoning applies to the entrepreneur. His remuneration is determined competitively by the demand for his services and the supply of them. In the case of both employer and employed, there may be a quasi-rent due to exceptional ability, superior advantages, or even to the exercise of the tricks of the trade. In distribution the entrepreneur has no such prominent place as is assigned to him by General Walker.

In both production and distribution, man is the central figure. Capital does not employ men. Men employ both capital and land and compensate their owners in the measure that these instruments can profit man for the purposes of production. "That which remains after this service of land and capital has been marginally fixed, and payment rendered to the owners, goes to the producing man (either entrepreneur or laborer) as the net reward of his efforts."

It will thus be seen that the general attitude on theoretical questions is in line with the newer modes of thought. The applications to practical problems are interesting and in the main sound, though we do not find in them anything especially new. The writer has a keen economic sense, is a thorough master of the literature of his subject, and always expresses himself in cogent language. We think, however,

that he lacks the art of happy arrangement. Subjects come up in the most unexpected places. For this reason, if for no other, a fuller index would have improved the volume.

JAMES W. CROOK.

Amherst College.

The Contest over the Ratification of the Federal Constitution in Massachusetts. By SAMUEL BANNISTER HARDING, A. M. Pp. 194. Price, \$1.25. Harvard Historical Studies, No. II. New York: Longmans, Green & Co., 1896.

"In the United States the history of party," says Mr. Bryce, "begins with the Constitutional Convention of 1787, at Philadelphia." Too late by a score of years this date seems to many. But it remains true that in the record of the convention and of the contest over the ratification of its work there is to be found not a little material of the highest interest and importance to any one who would obtain "a right understanding of the subsequent party struggles in national politics, by which the interpretation of the constitution was fixed and the scope and general policy of the new government were determined." It is upon this quest that Mr. Harding has pursued his very successful investigation in Massachusetts.

The two causes directly fostering the development of opposition to the frame of government presented in the constitution are found in the inordinate self-confidence of the people as to their ability to pass upon the most abstruse questions of government and in the pronounced antagonism in matters political between the upper and the lower classes—a dislike of the rich by the poor, a distrust of the town by the country, of the merchants by the farmers.

In his account of the vigorous newspaper discussions which preceded the meeting of the convention, Mr. Harding presents almost exclusively the lines of attack, assuming that the defensive arguments are familiar. The lack of a bill of rights was much criticised and not a little fear was felt lest Congress should use its powers to so control elections as to make the mercantile interests dominant. The atmosphere of the recent Shay's rebellion still breathes in the opposition to the clauses "prohibiting to the states the power to emit bills of credit, or to make tender laws." "Here," wrote one of the most vigorous opponents, "I suppose the principal weight of the opposition will hang." Consolidation was feared, and it was thought that the powers both of the courts and of Congress were too loosely limited. Not a little prescience was shown by "a Republican Federalist" who comments thus upon the elastic clause of the constitution (Art. I, Sec. viii, § 18): "This I call an *omnipotent* clause, for I

must believe the man who says that he can see in its *aphelion* a court which requires a century for its revolution, as soon as him that says he can see the extent to which an artful and arbitrary legislature can by this clause *stretch* their powers."

The convention was large and representative and not a few of Shay's followers, it is said, found a place in its membership. Most of the delegates came without formal instructions. In the convention the advocates of the constitution were at first a minority, but enjoyed better leadership than their opponents. With caution and forbearance they gave patient hearing and discussion to all objections. The opposition followed in the main the lines foreshadowed in the ante-convention controversy. Most difficult to overcome was the apprehension, vague but widespread, that somehow the liberties of the people were in danger.

The old revolutionary leaders do not appear in a very creditable light in this contest. In various letters and pamphlets Gerry had opposed the Federal plan. Though not a member of the convention, he sat with the members by special invitation until his forwardness caused dissensions, which led to his absenting himself thereafter. In the early weeks Samuel Adams maintained a neutral position, though at heart hostile to the plan. At one important juncture he did good service in checking undue haste, but later he did not hesitate to imperil the whole scheme by introducing certain amendments through which he apparently hoped to court popularity. The "conciliatory proposition," in accordance with which Massachusetts ratified the constitution while proposing amendments, was introduced by John Hancock. Investigation fails to determine who deserves the credit of its authorship, but leaves little doubt that Hancock's service in introducing it was rendered only after he had been convinced that it would be made "worth his while."

The evidence of a bargain by which Hancock was to receive the support of Bowdoin's friends in the next gubernatorial campaign with a likelihood of nomination for the vice-presidency, rests not only upon specific charges in the press, but also upon several letters of Rufus King.

As a result of the introduction of this "conciliatory proposition," the convention voted in favor of ratification by the narrow vote of 187 to 168, the coast counties being strongly in favor of it, while the chief opposition came from the inland and rural communities. The charge that ratification was brought about by improper influence, is clearly proved to rest upon an entirely untrustworthy foundation. Massachusetts' decision marks the turning point in the general contest. Not only was the victory won in an influential state, but a satisfactory

compromise course was here pointed out, which the hesitant states were not slow in adopting.

It is in the second chapter of the monograph, dealing with the ante-convention discussion, that the materials proved least tractable. Mr. Harding has chosen to present in successive layers abstracts of letters from nine or ten different writers to the press and to personal correspondents. These writers are, with few exceptions, entirely unknown to history, and it may well be questioned whether this arrangement does not obtrude them too much upon the reader's attention, while the real perspective in the opposition is obscured by duplication and by the often illogical sequence of arguments within the letters themselves. The method of the historian, rather than of the exchange editor, would seem to be the more desirable, inasmuch as the two collections of letters which are most liberally abstracted, are themselves printed in full in appendices which take up one-third of the text in this volume. If these are considered so inaccessible as to entitle them to such prominence, it would seem worth while to bestow a little careful editing upon them in the way of notes. It is unfortunate, too, that specific cross references are not given between them and the study itself, and that they are not made more serviceable to the reader by extending the scope of the index to cover these also. In a few instances there is a heaping up of useless facts, as in the giving of dates of quite a number of newspapers in which the text of the constitution was reprinted. The very frequent introduction of ["sic "] into quotations from illiterate writers, becomes decidedly wearisome.

In arrangement, typography and binding this is an excellent piece of book-making. The study is supplemented by a good bibliographical note on the sources, and a list of the authorities cited.

GEORGE H. HAYNES.

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The Nicaragua Canal and the Monroe Doctrine. A Political History of Isthmus Transit, with Special Reference to the Nicaragua Canal Project and the Attitude of the United States Government thereto. By LINDLEY MILLER KEASBEY, Ph.D., R. P. D. Pp. xvii, 622. Price, \$3.50. New York: G. P. Putnam's Sons, 1896.

No one will read Professor Keasbey's book on "The Nicaragua Canal and the Monroe Doctrine" without being impressed by its thoroughness. The purpose of the author has been not merely to enumerate the principal events in the history of the canal enterprise, but also to put these events in their proper setting as steps in the history of the world's commerce since the discovery of America. The

thought that seems to pervade the book is that the economic and social forces which explain the history of the world's commerce during this period also account for the activities and struggles of Spain, France, Holland, England, and, latterly, of the United States, to establish or control any transit route that might be formed between the Caribbean Sea or Gulf of Mexico and the Pacific Ocean.

As the land masses of the earth lie mainly in the northern hemisphere, the world's commerce, proceeding from Europe—the part of the world most highly developed industrially, has sought to establish routes east to the Pacific countries, and west to the Americas, so far as possible following the parallels of latitude. The Isthmuses of Suez and Panama diverted the water-borne commerce far to the south until the Suez Canal was constructed in 1879 and the eastern trade was permitted to follow the more economical channel. It remains to pierce the American isthmus and affect the same economy for the western trade. Professor Keasbey's most important contribution consists in showing that the events about the American isthmus have been incidents in the larger struggle of the nations to extend their influence and power westward and to overcome the obstacles placed in the way of the freest movement of their commerce to and from the occident. To quote his own words, "The construction of an inter-oceanic canal joining the waters of the Atlantic directly with those of the Pacific must, therefore, owing to the sphericity of the earth, merge these two great [eastward and westward] channels of trade into one. The course of the world's commerce will thus in the end assume a rotary motion, and commercial advance can then no longer be likened to the breakers of a rising tide with their back-rushing undertow currents, but rather to the waves of the deep-flowing sea itself, where no shore obstructs its course."

The author is a patriotic American and gives to the Monroe Doctrine a very liberal interpretation. In his mind, the Monroe Doctrine stands as the expression which the American people have given to their determination to guide the affairs of the American continent. He says: "The settled foreign policy of the United States has also worn for itself a deep groove in the popular consciousness, and, in the light of their manifest political destiny, the American people are equally determined to hold this continent for the Americans, and leave Europe to fight it out for herself. Thus from both the economic and the political points of view, the Nicaragua Canal and the Monroe Doctrine may well be taken to typify our present attitude toward the more general question of interoceanic communication."

Students of international law in this country have not been unanimous in including in the Monroe Doctrine all that the American

people desired to have it mean. It is, however, by no means improbable that the American people may be more nearly accurate in this matter than are the students of international law. If succeeding administrations should be as successful in dealing with the Monroe Doctrine as the one just closing has apparently been, this "settled foreign policy" may secure recognition by foreign nations.

Of the correctness of the details of the author's long historical narrative, I shall make no pretence of judging. The sources of information are carefully and fully given. I have, however, felt in reading parts of the historical narrative, that the author's account would strike a foreigner as being written from an American standpoint.

Students of commerce will find chapter xxiii on "The Economic Aspects of the Canal Project" very suggestive and by far the best thing yet written on the probable influence of the canal upon commerce. Professor Keasbey has classified the trade regions of the world with reference to the Suez and Nicaragua canals as centres. He accordingly divides the commerce of the world into two main classes: That which follows an easterly trade route and that which follows a westerly one. Each of these main routes will, upon the construction of the Nicaragua Canal, consist of a natural and an artificial highway. He divides the traffic which moves from the Atlantic Ocean to the Indian Ocean and from the Pacific Ocean into three main classes:

"(1). *Easterly canal trade*, being such portion of the total canal trade as—either by reason of distances saved or other signal advantages—will continue to reach the Pacific section by passing through the Suez Canal or sailing around the Cape. (2) *Neutral canal trade*, being such portion of the whole as can be regarded neither as tributary to the easterly nor to the westerly route. The comparative distances to be traversed being taken in this case to be about the same, the choice of the routes would here depend upon certain adventitious circumstances. (3) *Westerly canal trade*, being such portion of the total as must be entirely tributary to the westerly route, either on account of distances saved or by reason of other favorable conditions accompanying the voyage through the Nicaragua Canal or around the Horn."

Professor Keasbey applies the term "canal trade," to the entire commerce passing between the Atlantic and Pacific, including Indian, sections since this entire trade "must come within the zone of attractions of one or the other of the waterways." To my mind, it would have been less confusing to have used the term "interoceanic trade" to cover this larger traffic movement, and to have restricted the term "canal trade," to that traffic which moves or will move through the artificial waterways. The analysis of the elements composing each of these three classes of trade and the discussion of the routes which the several elements may be expected to take are well given.

The author is wise in not attempting to estimate the amount of tonnage that would actually move through a Nicaraguan canal. He

says: "What we need, is another board of experts to study this phase of the more general problem of interoceanic transit . . . From the results of such an investigation, we could, at all events, reach a decision regarding the economic importance of the canal, and the report itself would, at the same time, be an important guide to the commercial possibilities of our future." This seems to me, an excellent suggestion, one upon which Congress would do well to act.

The closing chapter of Professor Keasbey's book is devoted to an analysis of the Monroe Doctrine in the light of the conclusions reached as the result of his elaborate historical study. In Professor Keasbey's mind the struggle between the United States and Great Britain for the control of the transit route, is incidental to the larger contest of the two nations over the American continent. Professor Keasbey thinks that Great Britain's foreign policy as regards America is both aggressive and far-sighted, and that nothing but a vigorous policy of opposition on the part of the United States can prevent Great Britain from dominating the affairs of the American continent outside of the United States, and from controlling the developing commerce of the countries of the Southern Pacific.

Professor Keasbey has no faith in the international neutralization of the isthmian waterway, but believes that the economic and political interests of the United States demand the exclusive American control of any canal that may be constructed. He, of course, recognizes the fact that the controversy is by no means over, and, in my opinion, he does well to present the issue to the American people in the concise and strong way in which he has put it in the closing chapter of his book. It is well for us to realize what is involved in our maintenance of the Monroe Doctrine, and to appreciate the consequences that will result to us if we neglect it.

EMORY R. JOHNSON.

Richelieu. BY RICHARD LODGE, M. A. Pp. 235. Price, 75 cents. London and New York: The Macmillan Co., 1896.

In the history of every nation there are a few men about whom a wealth of anecdote has gathered, and who are known quite as much through the novels as through the histories in which they figure. Such a character is Richelieu. No tale of France in the seventeenth century can neglect his personality, no collection of French stories is complete unless one of them has the great cardinal for its hero. Since such pictures too often construct their details according to the necessities of the plot, it is especially fortunate that a public which has recently renewed its acquaintance with Richelieu in the pages of Stanley

Weyman should have an opportunity to see the same personality as depicted by a capable biographer.

During the first half of the seventeenth century the interests of France centred in her foreign policy. It is but natural therefore that the larger portion of this work should be occupied with military and diplomatic concerns, for, as Professor Lodge says, the life of Richelieu is the history of his country during the period in which he lived—nevertheless the reader cannot but regret that the author felt compelled to devote seven of his ten chapters to these matters. It is with such details that the histories of France are filled, for, these years constituted the creative period of the Bourbon monarchy, and the author might have relied more upon these authorities. On the other hand, the relations of the great cardinal to the church, and his influence on domestic administration, to which two chapters are devoted, are subjects which have not been adequately treated, and for the fuller discussion of which the author would have deserved the thanks of students everywhere. This regret is made the keener by the excellent character of these two chapters. The tone of fairness and impartiality which characterizes the author's judgment deserves recognition, even when one differs from his conclusions. It is refreshing to meet an English writer who dismisses with the sharp answer "it was impossible" those critics who see in Richelieu's failure to establish constitutional government the cause of the later tyranny and decadence of the Bourbons. Professor Lodge throughout his work has tried to free himself from English tradition and has, in a large measure, succeeded. He endeavors to ask always what did French advancement demand, and French conditions allow? He has neither the prejudice, which is unconsciously affected by the danger to English interests involved, nor the carelessness which argues as if his heroes acted under ideal conditions.

But, if the author's method of argument is admirable, his conclusions are not always as unassailable. While many will agree that Richelieu made a correct choice between absolute government by the king, and absolute government by the parliament, "a narrow and bigoted bureaucracy," it may be doubted whether "the criterion by which Richelieu's government should be tested is to be sought not in an estimate of the successes or blunders of the later Bourbons but in an examination as to whether he himself made the best use of the authority which he established." In a narrow sense this may be true; in a broad sense it is only true when it is proven that no other frame of government that it was possible to establish could have developed a force in the state on which an efficient administration could have rested. By the control over letters which

resulted from the founding of the Academy, and the later fostering care of Louis XIV., that spirit of effective criticism usually exerted by literary men, even under absolutism, was repressed, and the attitude of the government in religious concerns had a like influence in crushing out whatever independence varying creeds might have given. If it is unjust to hold the cardinal responsible for the whole of this movement, it is as unfair to forget that he was its originator.

An exception may be made regarding religious matters, for Richelieu seems to have had no intention of depriving the Huguenots of their religious as distinct from their political independence. Although a cardinal, Richelieu was first of all a Frenchman, and it is more than possible that he expected this tolerance; united with the education which is gained from commercial relations as well as from books, to produce an enlightened community, a community in which more confidence could be placed and to which more powers could gradually be entrusted.

The work closes with a brief consideration of the "*Testament politique*," only the first chapter of which our author believes to be authentic, an all too short discussion of Richelieu's personal character, and a brief bibliography. As a whole the critic can only repeat of this book what its writer says of the work of M. Hanotaux, that it is to be hoped its author may yet find sufficient leisure to enlarge it.

C. H. LINCOLN.

Philadelphia.

Studies in Ancient History; The Second Series; Comprising an Inquiry into the Origin of Exogamy. By the late JOHN FERGUSON MCLENNAN. Edited by his widow and ARTHUR PLATT. Pp. xiv, 605. Price, \$6.00. London and New York: The Macmillan Co., 1896.

Maine's "Ancient Law," and Bachofen's "*Mutterrecht*" were published in 1861. The first edition of McLennan's "Primitive Marriage" appeared in 1865. Morgan's "Systems of Consanguinity and Affinity of the Human Family" was published in 1871, and his "Ancient Society" in 1877. The first edition of McLennan's "Studies in Ancient History; First Series; Comprising a Reprint of Primitive Marriage," was published in 1876, and his "The Patriarchal Theory," edited after the author's death by his brother, Donald McLennan, appeared in 1885. These dates are necessary to an appreciation of the great importance of the posthumous papers now published as a second series of the "Studies in Ancient History," a volume which has been reviewed in prominent journals in a grossly misleading way. Justice to one of the ablest and most unfortunate of constructive

thinkers upon that most difficult of sociological problems, the origin of marriage, demands that the new contribution towards its solution which is here made should be understood and recognized.

Maine's explanation of ancient law assumed the universal prevalence in prehistoric times of the patriarchal family, founded on the *patria potestas*, and limited by agnation. Bachofen's researches proved that the primitive systems of kinship traced descent through mothers instead of through fathers and tried to account for this fact by denying the truth of the patriarchal theory and assuming a primitive promiscuity in sexual relations, or perhaps a communism of women. McLennan brought great learning and critical insight to bear upon the question. Not then acquainted with the work of Bachofen, he independently discovered the primitive system of relationship through women, the widely observed rule of exogamy, and the prevalence of wife capture and of its surviving symbolism. These facts he accounted for by another widely extended practice, female infanticide, which he regarded as a cause of the other phenomena. Scarcity of food, he argued, compelled each little horde of primitive men to cut off its useless members, and the girl babies could most easily be spared. Scarcity of women, thus produced, led each horde to try to capture women from other hordes, and the captives were owned by their captors in common. Thus it came about that polyandry was the earliest form of marriage. Confirmation of this theory McLennan found in many practices that survived after polyandry ceased to exist, for example, the levirate of the Jews, or the law that a surviving brother must take to wife his deceased brother's widow.

Maine had been the first writer to understand the Grecian *γενος*, the Roman *gens*, and to appreciate its social and juristic importance. Lewis H. Morgan was the first investigator to discover that the totemic groups of the North American Indians, and of other uncivilized races, are in essential features organizations like the gens; that, in short, the totem-kin of the red man, the clan of the Celt, the gens of the Roman, and the hayy of the Arab, are one and the same organization. He was the first to distinguish clearly between the clan and the tribe, and the first to discover that it is the totem-kin, clan, or gens which is the exogamous organization. An attempt to reconcile these discoveries with the primitive systems of consanguinity and affinity led him to advance the hypothesis that the primitive relations of the sexes were neither promiscuous nor patriarchal, neither polyandrian only nor polygamous only, but were definite groupings in which each woman was a wife to several men and each man was a husband to several women.

With these facts before us we can understand the exact value of the

second series of McLennan's Studies. Since his death the critical researches of Post, Dargun, Starcke, Westermarck and other investigators have established the moral certainty that the primitive relations of the sexes were neither patriarchal nor so definitely organized in any other way as McLennan and Morgan seemed to suppose. It is highly probable that, as Darwin supposed, male power and jealousy established the pairing of one man with one woman as the usual relation, but that this mating was a very temporary affair, and left children to be cared for by the mother and to take her name. With this relation every other possible relation probably now and then coexisted, so that it was always a question of circumstance which form should gain ascendancy in any particular group. In a word, the primitive relations of the sexes were indefinite, uncertain and led to many forms of grouping.

Let the reader now turn to page 59 of this new volume of McLennan's papers and read a letter to Mr. Darwin, written by McLennan, February 3, 1874. All these results of criticism are there presented. McLennan himself had anticipated them all, and had accepted them. On the two main points his own words are these:

"Now I agree with you that from what we know of human nature we may be sure each man would aim at having one or more women to himself, and cases would occur wherein for a longer or shorter time the aim would be realized. . . . I take it, polygamy, monogamy and polyandry (or its equivalents) must have occurred in every district from the first, and grown up together into systems sanctioned by usage first and then by law."

But how, after writing this opinion, which subsequent investigation has confirmed, could McLennan continue to insist that marriage began in polyandry. The letter answers this question also, and for the first time shows exactly what his contention was. In his view polyandry was not the first relation of the sexes, but it was the first form of *marriage*—i. e., it was the first form of the sexual relation, which was *sanctioned by group opinion*. Again, to quote his own words, he says:

"Polyandry, in my view, is an advance *from*, and contraction of promiscuity. It gives men *wives*. Till men have wives they may have tastes, but they have no obligations in matters of sex. You may be sure that polygamy in the early stage never had the sanction of *group opinion*. They would all envy and grieve at the good of their polygamous neighbor. Polygamy, then, did not at first give men *wives*. Wifedom begins with polyandry, which is a contract."

Obviously there was here raised by Mr. McLennan, twenty-three years ago, a question absolutely distinct from that which students of

the history of the family have since, for the most part, been discussing. Obviously, too, Mr. McLennan's question is the sociologically important one. Marriage is more than a fact of physiology and more than a relatively enduring cohabitation. It is a socially sanctioned relation. Admitting that every possible grouping of the sexes may have been tried by primitive men, what grouping was the first to be socially sanctioned? Students who may now re-read McLennan's books in the light of this thought will at least admit that he has made out a strong case for polyandry.

This thought runs through these posthumous papers. It was a strange series of fatalities which kept them from the public for so many years. Most of them are incomplete. They are written as fragments of a great work on early society, which should have systematically presented the final results of the author's studies. After his death his brother tried to piece them together. While engaged in this task Mr. Donald McLennan also died, and the material passed into the hands of Robertson Smith. Before he had done anything with it his final illness overtook him. Mr. J. F. McLennan's widow then assumed the work, and when the result of her labors was finally in the printer's hands she, too, passed away.

The volume is in two parts. The first is theoretical and expository and includes excellent chapters on the nature of historical evidence, on the definition of terms, and on "Kinship, Totemism and Marriage," "The Origin of Exogamy," "Female Infanticide," "Exogamy Inferred from the Law of Succession," and "Examples of Fabricated Genealogies." The second part is a mass of descriptive facts from many parts of the world, of different degrees of value, according to the authorities followed.

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The Life of Richard Cobden. By JOHN MORLEY. Two vols. Pp. 468, and 509. Price, \$3.00. New York: The Macmillan Co., 1896.

The semi-centennial of the inauguration of England's free trade policy could not have been better commemorated than by the republication of these two volumes of Mr. Morley, containing the record of the life and deeds of Richard Cobden. This biography is of great interest for many reasons. It has been written by a past master in the art. Mr. Morley has followed here a method somewhat different from that adopted in his "Lives" of Voltaire, Diderot and Rousseau. Cobden's life and theories are described for the most part in his own words, extracted from letters, journals, speeches, articles and books. From these Americans will learn that Richard Cobden was not such a monster as he is generally portrayed to our political audiences by ignorant

political speakers. They will be informed that he gave his life to the promotion of free trade with as true religious zeal and love for his fellowman as ever animated reformer. Every American who desires in any way to improve the common civic life can derive inspiration and instruction from these volumes. They show us how a man without any of the advantages of school or college training became one of the most distinguished political philosophers of his day, how he mastered the myriad details of one of the most complicated economic problems, and how he convinced a hostile ruling class and an adverse government after one of the most intense "campaigns of education" on record that unrestricted trade and commerce was the best for England as well as for all nations trading with her, for producers as well as for consumers, for the poor as well as for the rich.

The student of politics will find this "Life" especially rich in materials for the study of political agitations and in hints as to the way in which such agitations may be made to succeed. When Cobden first began to feel the stirrings of those feelings that forced him to become an agitator, the Protective system was rooted in the traditional prejudice and conservatism of Englishmen. Its position seemed impregnable. For years Cobden had been a commercial traveler of great activity and alertness in promoting the sales of his wares and stuffs; he was a large manufacturer of cloth goods; he was a most indefatigable observer and collector of facts of industrial life and conditions; and he was an omniverous reader of all kinds of literature that in any way helped him to understand the nature and needs of industry and trade. In addition he made extensive journeys in the United States, Egypt, Asia Minor and in nearly all the countries of continental Europe. In a word Cobden had what all reformers should have, a vast and various knowledge of industry and trade, a keen faculty for perceiving and assimilating essential as well as interesting facts and an exceptional ability for clear, forcible and persuasive presentation of the lessons of experience so as to interest and instruct all sorts of audiences. On all sides of him he saw the injurious consequences to trade and industry of the checks and hindrances to the free exchange of goods between nation and nation and his journeyings and reflections convinced him that the "vexatious eccentricity of incidence" of import duties was an unqualified and continuous injury to industry and to social and political life. He began the work of agitating for the abolition of the protective system single handed and alone: but soon others began to join him, among whom notably was John Bright. The personal work and influence of Cobden and Bright and their co-laborers were immense; but their efforts would scarcely have brought about such a radical change in England's industrial policy so

soon had it not been for the effective work of that noted political organization, "The Anti-Corn Law League." Perhaps never before was the efficiency of well-directed organized effort more clearly demonstrated in promoting a reform than was the case with the League's propagandism.

Richard Cobden's public work is a striking indication of the possibilities of rational reform under popular government. Into the cold facts and deductions of the "dismal science" he infused a warmth and light and earnest patriotic zeal that made them living things to the people of England. His success proves that the most complicated subjects in economics and finance can be so presented to the masses, that the most profound truths can be assimilated by them and utilized in the betterment of human relations through conscious social and political reform. The United States has just witnessed a remarkable campaign of education and the hopes of the believers in the stability of democratic government have been greatly strengthened. Cobden's career demonstrates that the chief requisites to realizing a needed reform are full knowledge of the subject in all its relations, lucid and persuasive speech and enduring earnestness and honesty in its promotion.

FRANK IRVING HERRIOTT.

Des Moines, Iowa.

Der Staat und sein Boden. By FRIEDRICH RATZEL. Publications of the Royal Scientific Society of Saxony. Vol. xvii, No. iv. Pp. 127. Leipzig: S. Hirzel, 1896.

Professor Ratzel's book is worthy an extended notice, not only for what it contains, but also for what it promises. In the four papers which it includes we have a valuable contribution to that neglected field of social phenomena which concerns the influence of man's environment upon the political institutions which he has developed, and suggestions which may in time lead to the birth of a new science. The author arraigns the conventional political science, because it proceeds to "dissect the state as something dead, represents it as a skeleton, treats its phenomena of growth and decline—practically so important—as if here a piece of land were cut off from a private estate and there one were added," and maintains that, "deeper insight into the subject is possible only through the study of the living political organism. We can describe and measure a political boundary ever so exactly, but its real importance for the state and the importance of every one of its features will be comprehended only when it has been conceived as the peripheral organ of a political organism. Area may be determined ever so accurately, but its value to the state can be

understood only through the comparative study of areas in growing and declining states, in communities of primitive tribes and in the most modern civilized countries."

The author's conclusion may be summarized as follows: Political geography will be barren of any results until the geographer is animated by the idea that the state is an organism, indissolubly connected with the earth's surface, deeply rooted in the soil, modified in its character and growth by its geographic environment, finding the ground beneath it and about it ever-present, ultimate factors at work moulding its history. This point of view is never lost sight of by the author, but, on the other hand, it is never allowed to mislead him into the mistakes which would arise from the excessive application of the principle. Ratzel began his scientific career as a zoölogist, and this fact proves his safeguard here. He understands the concept "organism" in all its near and remote relations, and, therefore, he adopts the biologic conception of the state, with full consciousness of the limitation of its application. He discusses this whole question in the first chapter, considers how far a society is a mere aggregate, how far an organism, and comes to the conclusion that the material element welding the component parts of a state together is to be found only in its occupation of a common physical environment. To this fact he attributes the strongly marked tendency to base political organization upon territory.

Particularly interesting is the author's treatment of the development of the connection between land and state. He demonstrates the value of the geographical point of view in his criticism of the "schematic" division of political forms into *societas* and *civitas*, by Morgan, and into "tribe" and "nation" by Brinton. In his opinion, these two systems find no verification in experience among primitive peoples in the past or in the present, for the reason that no tribe or community, however undeveloped, has ever been discovered without a claim or hold upon some land. In Brinton's theory, he calls attention particularly to the lack of any genetic connection between the two great typical epochs of the tribal and national state. Morgan's federation will not explain the transition, for in reality voluntary unions are rare in the history of primitive communities. If Brinton means that through the political alliance of the tribes, the barriers between the tribal states are broken through and their districts so blend into the larger territory of a people or nation, history has no instance of a transition process of this kind. On the other hand there are unnumbered cases where political areas have grown in consequence of increase of population, extension of trade, and, above all, through conquest. These, therefore, are the factors working toward terri-

torial expansion; they have left their indelible stamp on political and social organizations, and are operating in even intenser form to-day. Against them the strongest tribal organization has not been able to hold its own, and without them no national state has ever been formed. All history shows a growing closeness of connection between the land and its people, as the density of population increases and the exploitation of natural resources becomes more stable and intensive, till finally the economic relations of the individuals to the land pass over into the political relations of the whole people. It is just this deepening and extension of the connection between the state and its territory which discloses the artificial character of such classifications as those of Morgan and Brinton.

The last chapter, dealing with the radication of the state in its territory through the work of its individual subjects, affords the most interesting reading in the book. Here the subject-matter is in general more familiar and the principles deduced are more fully illustrated from history, whereas the first part of the book suffers somewhat from paucity of illustration. Especially fine is the author's discussion of nomadic and agricultural peoples, the relation of each to soil and government, the valuation of land and the political form peculiar to each, and the fundamental contrast in their whole inner and outer constitution in consequence of their different occupation and different geographic environment. Furthermore, the question of colonies and colonial policies finds able treatment at his hands. He shows how England's colonial strength lay in the industrial hold of her colonists upon the land, how her conquest of new territory was in reality industrial before it was political; whereas, in contrast, Spain's was a conquest over the new land with its native people and never developed fully to an industrial hold upon the acquired soil by Spanish settlers.

The book is full of broad generalizations, but Professor Ratzel never gets very far from his data and mother earth. He has adhered to the inductive method and has applied it impartially to a large body of facts. This is the final impression left upon the reader. Many of the practical illustrations used are drawn from the economic and political history of our own country, and the authorities quoted are the latest and the best.

ELLEN C. SEMPLE.

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Select Tracts and Documents Illustrative of English Monetary History, 1626-1730. By WM. A. SHAW, M. A. Pp. xiii, 244. London: Clement Wilson, 1896.

As a writer on money Mr. Shaw is not unknown. His recent "History of Currency" made a fair show of learning, and de-

ceived not a few reviewers into extravagant praise of an accuracy which it does not possess. Those, on the other hand, who, at tiresome length, have exposed Mr. Shaw's frequent blunders and his not infrequent ignorance, have overlooked for their part, a conspicuous merit which his "History" undeniably has. Few writers have held a more tenacious grip upon Gresham's law than does Mr. Shaw. His entire "History" is devoted to illustrating the fact that bad money drives out good, and it is for the further elucidation of the same principle that he has chosen and edited the "Select Tracts and Documents Illustrative of English Monetary History." Mr. Shaw, however, though he gives in his adhesion to Gresham's law, does not approve of the traditional formulation of it. On the contrary he says:

"It is not true that bad money drives out good. Such a principle would imply a conscious and deliberate choice or election, on the part of the community at large, of bad before good money. What would have been true to say is, that, given in one country an imperfect currency system, in which two elements of unequal value are concurrently circulating, and given no specific law of tender, and given no law for the withdrawal of worn or clipt specie, and given, with all this, another similarly imperfect currency system, in one or more countries near at hand, then the merchant exchanger, whether Italian or Jew, had close to his hand all the elements of an easy bargain. He could buy up the good money by means of the bad, or the unworn money by means of the worn, or the more valuable money of one metal by means of the less valuable money of another metal. He could in a retail way sell piece by piece the coin of one country to another country."

If Sir Thomas Gresham had said all that, it might indeed have been "true," it surely would not have been remembered. The sixteenth century was not so tedious as the nineteenth. The phrase attributed to Gresham has pith, it sticks.

In order that bad money may completely buy up good money—"drive the good money out"—three markets are necessary, a market in which good money can be sold at its metallic value, a market in which bad money can be bought at its metallic value, and a market in which bad money, of low metallic value, will buy good money of high metallic value. A market of the first sort is always afforded by the melting pot, nor can laws keep the resultant bullion within a country when its abundance makes it cheaper there than elsewhere. A market of the second sort is afforded by any mint that coins "bad" money freely and gratuitously. If the bad money be coined from the same metal of which the good was made, this mint affords also a market of the first sort, a market for the sale of the good money at its metallic value expressed in bad money. A market of the third sort is to be found wherever individuals, in the ordinary prosecution of their business, accept the two sorts of money indifferently.

In the seventeenth century in England these three conditions for

the driving out of good money were approximately realized. After the passage in 1666 of the statute for the free and gratuitous coinage of both gold and silver, the conditions were almost completely realized, and that metal, whether gold or silver, which chanced for the time to be relatively overvalued at the mint, poured into the coinage, while the other metal threatened to disappear from circulation. It is to dangers of this sort, which began to manifest themselves long before the act of 1666, that Mr. Shaw's writers chiefly turn their attention.

The first section of the book is entitled "Sir Robert Cotton and the Debasement of 1626." Almost immediately after the coronation of Charles II, one John Gilbert, formerly a warden of the mint in Scotland, submitted a memorandum proposing "to the end [among others] that the monies of silver nowe coyned (beinge heaviert then the currante monies) which have been culled out, be not contynually exported," that the Troy pound of standard metal be thenceforward shorn into more pieces than formerly; and it appears that in August, 1626, some coining was actually done at the rate proposed, viz., £44 instead of £41 for crown gold and 70s. 6d. instead of 62s. for silver of the old standard. But on the fourth of September a royal proclamation denied currency to the new coins and degraded them to the repute and estimation of bullion. A chief part in determining the king's mind to the issue of this proclamation, in spite of the advice of Buckingham, has long been assigned to the speech delivered at council table by Sir Robert Cotton, the second of September, 1626. The speech, however, is neither unknown nor especially valuable, and Mr. Shaw, though he puts it into large type, seems to have introduced it chiefly as a peg whereupon to hang certain contemporary memoranda from MSS. in the Record Office (S. P. Dom. Charles I, xxxvi, 102, 103). These memoranda show a clear recognition of the extent to which gold was relatively overvalued at the mint, and propose to remedy the difficulty by changing the tale of the pound of silver, and thus making the mint ratio conform to the market ratio.

The second section is devoted to "Henry Robinson and Commonwealth Monetary History." Mr. Shaw says that Robinson "has been entirely ignored by, or unknown to, the economic and political historian" (p. 50). Even if this were true, as it is not, no great merit would of necessity attach to Robinson's discoverer. The fragments reprinted from two of Robinson's pamphlets—"England's Safety in Trades Encrease" (1641), and "Certain Proposals in Order to the Peoples Freedome" (1652)—though brief, still give a fair view of Robinson's economic notions and do not make the reader eager for more. But in this section as in the first, the appended memoranda of mint officials, reprinted from papers preserved in Fetter Lane, are of real

importance. They give authentic data for estimating the true value of English and foreign coins during the Commonwealth, and should help to an understanding of the confused moneys of that period.

Between his second and his third section, Mr. Shaw makes a leap of half a century. He passes without a mention over such events as the introduction of the guinea and the passage of 18 Charles II, c. 5, and such writers on money as Petty and Rice Vaughan. He even omits Lowndes' incomparable "Report containing an Essay for the Amendment of the Silver Coins," because it "was reprinted some two generations since, by the Political Economy Club [whose reprint is to-day much harder to find than the original of it] . . . and because of its length." The third section thus brings us to "Sir Richard Temple and J. S., opponents of John Locke, in the Recoinage of 1696." The story of that measure is too familiar to need repetition, and Mr. Shaw's reprints add nothing of value to our knowledge of the subject.

The fourth section contains "Sir Isaac Newton's Mint Reports," (hitherto unpublished). There are fourteen of them, dated from 2 September, 1701, to 14 November, 1725. I believe that but three have been printed heretofore, and Mr. Shaw does not over-emphasize the value of those which are new. In them may be traced the gradual change that made England in fact a gold standard country during the greater part of the last century, and indeed, to the present day.

The fifth section reprints Conduitt's "Observations upon the present State of the Gold and Silver Coins," written apparently in 1730, but not published until 1774. Conduitt's pamphlet, which was enthusiastically praised by Jevons, has become rare, and it were well in any case to have it reprinted. But it gains new force and point by the collocation in which Mr. Shaw now prints it. Here we see it fitly closing a century's discussion, explaining and justifying the course of English monetary history as Mr. Shaw strives to present that course.

What, then, is the general course of English monetary history as mirrored in Mr. Shaw's book? The central feature of that history is the operation of Gresham's law in expelling the undervalued money. In 1626 we find full-weight silver so generally exported that the debasement of the silver coin was proposed as a remedy. To be sure the complete plan of 1626, if put into practice, would have debased gold coin more than proportionably, and would thus have aggravated the evil it was designed to cure. But Mr. Shaw shows that, as a matter of fact, no debased coin of either species was circulated, and the plan remained without effect. By 1662, however, we find Sir William

Petty, in his "Treatise of Taxes and Contributions," discussing "the cause of our having been pestred with too much Gold before, and wanting it now." But the following year witnessed the introduction of a new coin, destined, though not intended, to revive the old blunder. This coin, afterwards called the guinea, had the legal value of 20s. in silver, and was shorn from crown gold at the rate of £44 10s. to the pound troy. The previous gold piece of 20s. legal value, the *laurel*, had been coined at the rate of but £41 to the pound. The new coin actually circulated, nevertheless, at rates running as high as 22s., and even then gold was overvalued. In 1666 the mint was opened for the free coinage of both metals, and, in consequence, Englishmen were once more "pestred with too much Gold," which rapidly became the money of actual use, though silver remained the theoretical standard of the country. In 1695 ill-judged legislation preparatory to the impending recoinage caused the hoarding of such full-weight silver as remained in the country. In consequence the price of the guinea, measured in the clipped silver coin, which alone continued to circulate, rose to 30s. The recoinage of 1696 was intended to afford a supply of full-weight silver coins so abundant that they would circulate concurrently with gold. In fact they disappeared almost as fast as they came from the mint. The reason was sought and found in the high silver price of the guinea, which made it profitable to import gold for coining, and, with the resultant guineas, to buy up the full weight silver for export. An attempt was accordingly made to conform the legal to the market ratio by gradually "lowering the price of the guinea." But the lowering process stopped in 1717 at 21s., which gave a ratio of about 15.21 to 1. Since the commercial ratio was generally lower for the next eighty years, gold became, during that period, the firmly established money material of England. In other words, the almost exclusive use of gold resulted from the retention of laws made for another purpose. Petty, reflecting current opinion, could write, in 1662, that "the world measures things by Gold and Silver, but principally the latter." And ten years later, after gold had been overvalued at the mint, he could say, "if Silver be the one Metal fit for Money, then Gold is but a Commodity very like Money"*—It is evident, too, that Locke, Barbon and Lowndes, as well as the minor disputants in the controversy of 1695-96, all or nearly all, regarded silver as still the true standard. Meanwhile silver continued to be bought up with gold. By 1730 one man, at least, had learned the long lesson. Conduitt wrote:

"Necessity and convenience will make that coin the measure which is in greatest plenty. It was for this reason that silver, and not gold, was the first measure.

* Political Anatomy of Ireland, Cap. 10.

Wherever the silver coin of any country is bought at a premium, with the gold coin of the same country, there gold is the measure, and silver is the merchandise; and wherever gold is a legal tender at a certain rate, it is as much a measure as silver."

We have now two books from Mr. Shaw, both published within a twelve-month. If he intends keeping it up at this handsome rate, he owes to himself, and not less to his readers, a simple duty. That duty is to learn the rudiments of the art of bookmaking. The printer and the publisher of "Select Tracts and Documents" have done their parts passably, but the editor exhibits, in a number of minor matters, a remissness for which the most satisfactory soundness in the essentials of monetary faith cannot be pleaded as an excuse. His "History of Currency" had no adequate index. His present book has no index whatever, and three of the five rubrics in its brief table of contents differ from the half-titles of the sections they are supposed to designate. He has also permitted the book's back to be lettered with a legend—"Writers on English Monetary History"—which differs from the true title of "Select Tracts and Documents." In the book itself he does not give references where they are actually required. Regarding Robinson we are told (p. 49) that "Dr. Gardiner was the first to point out the existence of [his] anonymous tract on *Liberty of Conscience*." Passing over the error of fact—Gardiner himself cites the reference in Henry Martyn Dexter's, "Congregationalism,"—we have the right to demand a reference to Gardiner's "History of the Great Civil War,"* but Mr. Shaw gives us none. We are next informed that "Mr. Firth has traced the authorship of this anonymous tract to Robinson." Here a careful editor would refer to Mr. Firth's article in the *English Historical Review* for November, 1894, p. 715. Mr. Shaw leaves the reader to hunt up the reference for himself. On the next leaf we learn of Robinson that "through his long-winded and ungrammatical utterance there flashes occasionally the light of a piercing prescience." Hobbes and Milton were ungrammatical when judged by modern standards. What, then, shall we say to criticisms passed upon the syntax of a London merchant who was their contemporary, by a university man who is ours, and who still can write, "It is in such indications and flashes that lie the chief interest in the following extracts"? These criticisms of Mr. Shaw's style of editing and of writing are not unfair or captious. Numerous examples of similar shortcomings might easily be cited from his books, and they are shortcomings which he owes it to himself to amend, since they make his books less useful and less agreeable than their merits entitle them to be.

CHARLES H. HULL.

Cornell University.

*Vol. i, pp. 341-44. Edition of 1886.

"Appreciation and Interest;" A Rejoinder.

In justice to the readers of Mr. Powers' review of my "Appreciation and Interest," * attention should be called to the fact that the reviewer has failed to understand the methods and conclusions which he criticises. The following are patent instances:

1. The interest realized to London investors in the gold and silver government bonds of India differed, prior to 1875, by two-tenths of one per cent. I allow one of these tenths for the trouble and expense of converting rupee interest bills into pounds sterling. Mr. Powers' comment is: "The halving of this amount on the assumption of remote prevision seems unwarranted and is uncomfortably suggestive." He would ascribe *both* tenths to "friction of exchange" (equivalent to a commission of 5 per cent on the income from the bonds!). If he had examined page 51, he would have noted that the extra tenth is there thrown into the balance simply to make the result a round number. My conclusion is therefore *totally unaffected* by the "halving." Mr. Powers omits to state that this "halving" (had it really mattered) would have made a difference of but one *fourteenth part* in the final result.

2. "But what shall be said when silver bonds payable on three months' notice are compared with gold bonds running fifty or sixty years? Is there nothing in this permanency of investment calculated to tempt capital and lower the rate of interest? It is difficult to excuse the omission of a factor which is itself sufficient to account for the major part of the difference in the interest rate." The omission was not made. Whatever preference "permanency of investment" gave the gold bonds existed before 1875 as well as after. By casting out the *total* difference of interest (two-tenths) existing before 1875 from the difference of interest existing afterward, any effect of a difference of "permanency" must have been eliminated. Mr. Powers, in his anxiety to controvert me at two different points, does not observe that his own claims controvert each other. By previously ascribing all of the two-tenths to "friction of exchange," he left no room for the influence of "permanency of investment," much less for "the major part [over *four-tenths*] of the difference in the interest rate" after 1875.

3. "The conclusion drawn from a comparison of interest in gold and silver using countries is certainly strained." From such a comparison I carefully refrained. I compared the *changes* in interest in the two sets of countries (p. 64).

4. "But that which vitiates the conclusion most of all is the neglect of the time factor. . . . The currency bonds in the first comparison

*ANNALS, January, 1897, Vol. ix, pp. 122-26.

were to run ten years longer than the coin bonds." The "time factor" and the elimination of the effect of difference in duration of the bonds were *especial* objects of calculation (pp. 41-45).

5. Mr. Powers misconstrues my use of "labor interest." I expressly disclaimed adherence to the labor standard. Wages were employed only tentatively and as an index of money incomes in general (pp. 72, 74). My quantitative conclusions rested, not on wage statistics, but on Mr. Bowley's income statistics (p. 72). These, by the way, lend no support to Mr. Powers' apparent assumption that a rise of wages takes place at the expense of profits.

6. "But when the author asserts that retail prices should be considered instead of wholesale, and that rent, labor and services should be included as forming part of the family budget, he betrays a total ignorance (or neglect) of the real relation between prices and debts." Mr. Powers has mistaken negative criticism of one system of index numbers for positive approval of another. I did not propose to take the "domestic purchasing power" as a measure of the value of money. In order to obtain the latter, we must know, as I particularly explained, a second item, viz., money incomes (pp. 72, 82), and in this item are included the effects of all influences which Mr. Powers seems to think I have omitted, viz., the influence of a change of wages and wholesale prices on the entrepreneur's profits, *i. e.*, his *income*.

7. Referring to risk of appreciation, Mr. Powers states: "Doubtless risks incurred must be borne, but should we or should we not by our collective action seek to minimize those risks?" Certainly, and so I stated, even adding that *bimetallism* would probably tend to reduce risk (pp. 86-87).

8. "When it is proposed to farther eliminate risk, the reminder that the individual must not escape his contractual obligations is perniciously irrelevant, an effort to side-track discussion which is as unworthy as it is unacademic." Mr. Powers is mistaken both as to the "effort" and as to the fact. The "reminder" was not mentioned in reference to proposals to reduce future risks (p. 86) but in reference to proposals to scale existing debts (pp. 83-84).

9. "But the climax is yet to come. The gold standard is not to be regarded as favorable to the creditor, because no man knows whether under it prices will continue to fall or not, let alone all question of amount. Indeed! Then how about this much assumed foresight by means of which men were to forestall these changes?" I never claimed that anybody ever *foreknew* fluctuations in prices; my statistics showed only a speculative foresight. No one denies that foresight exists on the Stock Exchange, but this does not enable us to foretell whether the bulls or bears will lose to-morrow. If we could foretell

this the bulls and bears could do it too, and the losses would not occur (p. 85).

10. Mr. Powers even misquotes my main conclusion from the statistics which he criticises. This was that, in England, the debtor's loss during the last twenty years amounted to two-thirds of one per cent per annum subject to a possible error of one-third of one per cent. This result was explained and stated carefully in many passages (pp. 52, 72, 73, 80). Twice it was thrown into the compact form, familiar to statisticians, $\frac{2}{3} \pm \frac{1}{3}$ per cent (pp. 73, 80). At Mr. Powers' hands this becomes "from $\frac{1}{3}$ to $\frac{2}{3}$ per cent"!

IRVING FISHER.

MISCELLANY.

MEETING OF THE AMERICAN ECONOMIC ASSOCIATION.

The ninth annual meeting of the American Economic Association was held at the Johns Hopkins University at Baltimore, December 28 to 31, 1896. The program of the meeting was as follows:

MONDAY, DECEMBER 28, Evening Session, 8 p. m.

- I. Address of Welcome, by DR. DANIEL C. GILMAN, President of the Johns Hopkins University.
- II. Response by the President of the Association.
- III. President's Annual Address: "The Relation of Economics to Jurisprudence." PROFESSOR HENRY C. ADAMS, University of Michigan.

TUESDAY, DECEMBER 29, Morning Session, 10 a. m.

- I. General Discussion on the President's Address.
- II. Discussion: "Is there a Distinct Agricultural Question?"
Led by PROFESSOR BAILEY, of Cornell University; followed by HON. GEO. T. POWELL, Director of Agricultural Institutes, Pennsylvania, HON. L. G. POWERS, of the Minnesota Bureau of Labor Statistics, and others.

THESES FORMULATED BY THE LEADER:

1. The rapid increase of the system of land renting, the absorption of small holdings by wealthy land owners, and the abandonment of farms are changes that will benefit the farming class and the country at large. These changes are similar to those that have taken place in other lines of industry.
2. Mortgage statistics are of slight importance in determining the agricultural status.
3. The common system of unvaried cropping has been very detrimental to the mental aptitude of the farmer, and has thus put him into the position of the unskilled laborer.
4. The efflux of the young people from the farms has been due in good part to the rapid development of manufactures which has furnished the opportunity to work under supervision. The tendency will be checked under the new system of farming which affords the same opportunity to those not competent to direct their own work successfully.
5. The new system will restore to the farms the scholarly, influential farmers of the earlier days.
6. The best effects may be expected to follow the rural delivery of mails and the extension of electric railroads into the rural districts.
7. The farmer is ready for a better education; and through educational means chiefly, working in harmony with normal economic changes already begun, the status of the farmer will be much improved.

Afternoon Session, 3 p. m.

- I. Report of the Committee appointed at the last annual meeting on the "Organization of the Census," by PROFESSOR ROLAND P. FALKNER, Chairman.
- II. "Crime and the Census."
PROFESSOR ROLAND P. FALKNER, University of Pennsylvania.
- III. "The Use of Credit Instruments in Retail Trade."
PROFESSOR DAVID KINLEY, University of Illinois.
- IV. "The Quantity Theory of Money."
PROFESSOR W. A. SCOTT, University of Wisconsin.

WEDNESDAY, DECEMBER 30, Morning Session, 10 a. m.

Discussion: "What is the Present Direction of Acquisitive Investments? What are the Economic Effects of such Investments?"

Led by HON. CHARLES S. FAIRCHILD, ex-Secretary of the Treasury; followed by PROFESSOR F. H. GIDDINGS, PROFESSOR JOSEPH FRENCH JOHNSON, and others.

QUESTIONS FORMULATED BY THE LEADER:

What is the relation of the deposits in savings banks to the general business of the country? What are their advantages and disadvantages to the depositor and to the public?

Ought this form of investment to be made still more easy, or the contrary? Should not the depositors in savings banks be encouraged so as to invest their money that they shall consider it as invested and not deposited?

What forms of investment should be encouraged? Building and loan associations? Life insurance? Direct interest in real estate mortgages? Stocks and securities of business enterprises?

Afternoon Session, 3 p. m.

Discussion: "The Duty of the Government toward the Investor."

Led by PROFESSOR ARTHUR T. HADLEY, Yale University; followed by SKIPWITH WILMER, Esq., Baltimore, PROFESSOR W. W. FOLWELL, and others.

THESES FORMULATED BY THE LEADER:

1. The application to moderate corporate business of legal traditions established in the days of smaller industrial operations, results in practices which, while not technically fraudulent, have an effect on the investor analogous to that of commercial frauds.

2. (a) Some of these practices can be prevented by statutes providing for publicity of accounts.

(b) Others can be prevented by the prohibition of directors' contracts.

(c) Neither of these interferences in behalf of the investor would be likely to do any harm at all proportionate to the good to be expected from it.

3. Still other evils can be prevented by imposing on the promoters of new enterprises a special liability, civil and criminal, for the correctness of their representations; and in this case also the balance of good over evil which might be expected from a change, though less clear than in the two former instances, seems sufficient to warrant a movement in its favor.

THURSDAY, DECEMBER 31, Morning Session, 10 a. m.

I. "The Operation of the General Property Tax in California."

PROFESSOR CARL C. PLEHN, California State University.

II. "The Day Labor and Contract Systems on Municipal Works."

PROFESSOR J. R. COMMONS, Syracuse University.

III. "A Decade in Federal Railway Regulation."

MR. HARRY T. NEWCOMB, U. S. Department of Agriculture.

A marked feature of the meeting and one which seemed to meet general approval was the predominance of discussion. For the first time in the history of the Association an opportunity was afforded to discuss the annual address of the president. Professor Adams showed how the distinctive ideas of economics were based upon the conceptions, particularly as regards contracts, of the English system of jurisprudence. If in recent years there has been a tendency to drift away from the maxims of the older political economy it is in part because the conditions underlying contract relations which the English system of jurisprudence presupposes no longer exist. In every free contract, there must be assumed responsibility on both sides, and property which makes it possible to enforce such responsibility. In the modern economic world these conditions are only imperfectly realized. The growth of large industries, of corporations and trusts has introduced new factors, legal as well as economic, in the conditions of contract. The future may either overthrow the English system of jurisprudence, or adapt it more effectively than has yet been done to the changed conditions of economic life. It is in the latter path that, in Professor Adams' view, true progress lies, and to show its possibility, he made some tentative suggestions in regard to the probable character of future adjustments, especially as concerns labor contracts.

The discussion led by Professors Hadley and Giddings brought out some very interesting considerations upon the history and legal aspects of corporations, and the attitude of organized labor in labor agreements.

Unfortunately, the gentlemen who expected to lead the discussion of the agricultural question were unable to be present. The Association, however, took up an informal discussion, which was very acceptably opened by Professor W. A. Scott, of the University of Wisconsin. Otherwise the program of the meeting was carried out, though Professor Plehn's paper, in the absence of the author, was read by the secretary.

The discussions were full and interesting. It might have been remarked that there were few persons of any prominence at the meeting who were not heard upon some of the questions discussed. This gave a peculiar interest to the sessions and led to the feeling that the

meeting had been one of the most successful in the history of the Association.

For the incidental features of the meeting the local committee and the authorities of Johns Hopkins University made a most ample and satisfactory provision. The well-known hospitality of the city of Baltimore was most generously exhibited in behalf of the members of the Association, who will retain very pleasant memories of the cordial greetings extended to them. Among them the splendid banquet of the Merchants' and Manufacturers' Association will have a prominent place.

At the concluding session an appropriate expression of thanks was passed by the Association. At the same session a very hearty resolution of thanks to the retiring secretary, Professor Jenks, of Cornell University, was also passed. For a series of years Dr. Jenks has performed the duties of the office with a skill and fidelity which has won general applause, and it was with great regret that the Association learns of his wish to be relieved of the secretary's office. In his place the Association elected as secretary, Professor Walter F. Willcox of Cornell University. Otherwise no change was made in the list of officers, who were all re-elected.

The attendance at the meeting was large and representative, and the meeting was a decided success from every point of view.

NOTES ON MUNICIPAL GOVERNMENT.

AMERICAN CITIES.

New York.—*The Greater New York Charter.** The proposed charter for the Greater New York overshadows, for the time being, all other municipal matters. The manner in which the charter has been prepared is typical of the off-hand methods which prevail in the preparation and the enactment of our legislation, both state and national. The commission, appointed under an act of the legislature of 1896, to report to the legislature of 1897 a charter for the Greater New York was appointed June 9, 1896. In the early summer a few meetings were held and certain general propositions were adopted, but no comprehensive plan or framework was formulated. During the summer one member of the commission prepared with great industry a draft of a charter. This was reported to the commission's committee on draft on September 21. After that date the draft committee met from time to time, and at length, on December 9, reported a complete draft to the commission.

The first eight chapters of this draft were made public by the commission on December 24, with the announcement that public hearings would begin on January 2, and would continue for two weeks. During those two weeks, additional chapters were given out from time to time, as they were completed by the different lawyers to whom they had been referred. One or two important chapters have not yet been made public, and no information has been given out regarding the supplemental bills which may be of the first importance.

A recital of the details would show that the charter, as it has been promulgated by the commission, bears upon its face abundant evidence of the fact that it is largely the work of many different persons, each of whom has drafted some part, with little or no knowledge of the methods pursued by the others. These parts had been put together without adequate revision and with no thorough attempt to harmonize them. The result is not a unified instrument. This was inevitable; the time at the disposal of the commission was insufficient. This criticism must not, therefore, be taken as any reflection upon the industry or the ability of the commission.

The draft contains many provisions which are in their essence of a character to be covered by general, rather than by special laws.

* Communication of James W. Pryor, Esq., Secretary of the City Club.

Thus, Section 10 of Chapter V contains detailed provisions as to civil service examinations. Many pages of the charter are filled with provisions of this character. The result would be to render it much more difficult to know and to apply the law, and to increase the great confusion and uncertainty which characterize all our statute laws. On the other hand, many of the provisions in the charter are essentially in the nature of ordinances, and could readily be omitted. Why, for instance, is it necessary to cumber the charter with a special provision like the following, while many similar cases are left to be dealt with in ordinances to be passed by the municipal assembly?

"Every dealer in second-hand articles and scalper in coal freights shall pay for a license a sum to be determined by the Municipal Assembly, not exceeding five hundred dollars. Dealers in second-hand articles and scalpers in coal freights may be required to give security to the city with one or more sufficient surety or sureties, in a sum not exceeding ten thousand dollars conditioned for the observance of the ordinances of the Municipal Assembly."—*Cap. II., sec. 33.*

A large part of the charter might be wiped out with no other result than to make it shorter and clearer. This could be accomplished by substituting for special provisions a general provision so drawn as to cover all the cases in that class.

The 900 pages of the draft of charter do not by any means limit the size of the proposed charter of the Greater New York. The draft contains between fifteen and twenty pages re-enacting in general terms many classes of existing laws. These laws thus become part of the charter, and must be included in any estimate of the bulk of the proposed charter for the Greater New York. It will be found that upon this basis the charter of the city would be certainly more than 2000 pages in extent, and probably not less than 3000.

The first few sections of several chapters and of the titles of Chapter X relate to general powers and duties of heads of departments, appointment of deputies and other subordinates, the establishing of bureaus, etc. The failure to reduce these various special provisions to comprehensive general provisions covering all cases of the same class, leaves many unnecessary pages of sections presenting differences and inconsistencies similar to those in the provisions as to appointment and removal.

The idea of stimulating the citizens' civic spirit through the formal operation of the municipal government within fixed local divisions seems to enter into the provisions as to boroughs and districts of local improvements. But the expression of the idea is so confused and so complicated with details of administration that it will hardly be valuable as an incentive to intelligent civic pride. The citizen will still live in unrelated districts of the following kinds:—police precincts,

wards, school districts, fire districts, sewerage districts, street-cleaning districts and aldermanic districts; besides boroughs, local improvement districts, council districts, and several minor administrative divisions. It is believed that police precincts and wards are continued as separate divisions by implication only; but it can not be stated certainly that the draft charter does not continue them expressly, either in the chapters which have been issued or in those not yet before the public.

It is impossible to deal fully at this time with the numerous provisions giving officers or boards power to make "ordinances," "rules," "regulations," and "by-laws." All these terms are used without any attempt to define or distinguish them. Section 27 of Chapter II, giving to the municipal assembly general power to make ordinances, is far from clear. Section 31 of Chapter II, enumerates a large number of matters in which the assembly is given specific ordinance-making power. Scattered throughout the charter are several additional specific provisions of this nature, and about forty provisions giving to officers or boards power to make certain rules, regulations, or by-laws, many of which would be distinctly of the nature of ordinances. These provisions have little coherence one with another, and it may be said confidently that careful revision of the charter throughout upon this subject would do much to simplify and clarify the scheme as to this most important power.

What has been said will make it obvious that the absence of a coherent plan, together with the general obscurity of the details, makes criticism of the fundamental provisions of the charter a difficult matter. It cannot be safely undertaken without a more careful study of the charter as a whole, than has been possible under the conditions described. That serious defects exist in these provisions will appear from the fact that it is proposed to provide for a "bi-partisan" police board, and that the municipal assembly would consist of two chambers, all the members of which are to be elected biennially from comparatively small districts.

Chicago.—Civil Service Reform. The annual report of the Civil Service Commission gives an interesting account of the operation of the new civil service law. Although the commission recognizes that a number of amendments will be necessary, the fear of legislative tinkering is so great that they prefer to have the law remain in its present shape rather than risk a reconsideration of the whole system by the state legislature. During the short period of its operation the new law has done much to place the civil service upon a much higher plane. "The most marked effect," say the Commissioners, "has been in relieving the mayor and heads of departments from the pressure of

applicants for office, thus leaving them free to attend to their most important public duties." Furthermore, the system of political assessments which had completely demoralized the service, is rapidly becoming a thing of the past, owing to the emancipation of officers from the patronage and favor of politicians. But the greatest advantage which the new system offers is the far-reaching influence on the administration of law. This is especially noticeable in the enforcement of the tax laws. Heretofore the assessment of real and personal property has been greatly affected by the proximity of elections; assessments being used as a means of exerting political pressure upon the individual voters. The extension of the classified service to this department has greatly decreased, if not wholly eliminated, this abuse.

Massachusetts.—*Civil Service System.* The Thirteenth Annual Report of the Civil Service Commissioners of Massachusetts gives a summary of the work of the commission for the year ending December 4, 1896. With each year the civil service rules are being further extended in state and local administration. The most important extensions made during the present year went into effect February 15, 1897, and include in the classified service, messengers in city service, superintendents and assistant superintendents not specially exempted by statute, civil engineers, draftsmen and other employes of the city engineer, and the aids of the state fire-marshal. An important element in the work of the commission has been the organization and management of the labor service of various cities, which has been classified and administered under civil service rules in Boston, Cambridge, New Bedford, Newton and Everett. A system of registration of eligible, able-bodied laborers is adopted, from which the city departments requiring such labor are supplied. In Boston alone, some 3230 men were registered during the year; 108 requisitions from various city departments were received, and certifications of some 2365 names were made. The system has proven equally successful in the other cities.

A question of great interest to most of the cities of the United States has been the subject of much discussion during the year. It involved the constitutionality of the law which requires the certification and appointment to any position in the classified service of any veteran soldier or sailor, whether examined or not, in preference to any examined person, not a veteran, upon the eligible list. A petition for mandamus was filed by an applicant upon the eligible list for the detective division of the district police force. The petitioner wished to compel the commissioners to restore and keep his name at the head of the eligible list, in preference to an unexamined veteran also on the list. The whole question was exhaustively argued before the supreme

court. The decision upheld the position taken by the petitioner, but the court was careful not to pass upon the constitutionality of veteran preference legislation. The decision confined itself to the declaration that "the legislature could not compel an appointing officer to appoint to a public office persons of a certain class in preference to all others, *without the exercise of any discretion and without proper determination of qualification.*" The possibility of appointing veterans without examination at the *discretion of the appointing officer* was thus left in doubt. In order to finally settle the matter, the governor and council called for the opinion of the justices of the supreme court upon this question. The provision in the civil service rules permitting the appointment of veterans without examination at the discretion of the appointing officer, was unanimously held to be constitutional. Upon the question whether the legislature can direct that veterans *must* be preferred for public office, the court was divided, the majority recognizing the existence of such a power. As a result of these decisions, the commissioners have drawn the conclusion that while the legislature can provide that preference be given to veterans qualified for the position, "no law or rule can oblige the appointment to a public office or employment of a veteran not qualified for its duties."

Boston.*—Municipal vs. Contract Work. Mayor Quincy has taken strong ground in favor of the direct performance of city work rather than by contract. In accordance with his representations, and as a result of a conference with representatives of the Typographical Union, the city council has voted to establish a Municipal Printing Office, in which, as soon as the necessary preparations can be made, all the printing of the city will hereafter be done. This will be the first municipal printing establishment in the United States. It is believed that a considerable economy will be effected by the city doing its own printing.

Another new municipal institution for direct work established by Mayor Quincy is the electrical construction division of the public buildings department, which does all the electrical construction, supply, and repairs for the municipal buildings at a great saving over previous methods. An expert electrician was appointed chief of the division. All materials required for electrical work are purchased at wholesale, at the lowest possible prices, and carried in stock, and an efficient corps, able to handle the different branches of electrical work, has been organized. One function of the division is to inspect the use of electric lights in the various city offices with a view to check waste of the current. It has been suggested that this may prove the

* Communication of Sylvester Baxter, Esq.

forerunner of a general construction department, akin to the Works Department of the London County Council, which would undertake all the extensive constructive operations of the city, fully equipped for the purpose. In view of the prominence taken by labor-interests in the establishment of public baths, the mayor proposes that all the work on the new public bath to be erected by the city be done by union labor, as far as practicable.

In his annual message the mayor urged the policy of systematic, properly located and equipped playgrounds, so that no ward should be without some place where children could play and open-air sports be carried on. He held that it would be far wiser for the city to expend \$400,000 for public baths and playgrounds in the coming year than to devote that amount to any other purposes, of however pressing a character. "The adoption of progressive and distinctive municipal policies of this nature," he said, "tends to bring the city government closer to the people, and to promote a civic spirit which will yield valuable results in many directions."

The Merchants' Municipal Committee, the informal advisory body constituted by the mayor, and familiarly called "the Mayor's Cabinet," has been such a success that the mayor recommends the legal constitution of such a body as a permanent Board of Commerce and Finance, representative of the organized business men of the city, to act as an advisory body to the mayor, the city council, and the general court.

The mayor also recommends the establishment of a statistical department by the city, in charge of an unpaid commission. He points to the valuable results from such offices in Berlin, Paris, and other European cities. He says: "Such a department should supplement the work already done in the line of statistical inquiry by the governments of the United States and of the commonwealth, supervise and systematize such work of this character as is already undertaken by other departments of the city government, such as the board of health, and also pursue special lines of investigation of its own. Another important feature of its work should be the systematic collection and tabulation of comparative statistics of other municipalities. An annual publication giving an abstract in proper form of all current statistical information relating to the city, such as is published by some European cities, would also be of great utility. Financial comparisons of the cost of work done or service rendered in different years, or in different cities, would be valuable in disclosing waste or inefficiency. One member of such a commission should be a business man skilled in financial analysis, and the city engineer should be a member, *ex-officio*."

A strong effort is to be made in the present legislature to have the various city institutions for the insane, for paupers, for children and for criminals, placed respectively in the charge of separate boards of trustees for each class. All of these are at present under a single commissioner. Not only is the work too extensive and complicated for one official to handle, but radically different methods of administration are required for each. Hence it is believed that a more rational, scientific and humane system will be developed.

The mayor strongly recommends this measure. In this connection he warmly praises the work of the new advisory board on public institutions. This board was organized last August with twenty members, representing the following organizations: Associated Charities, Boston Provident Association, Children's Aid Society, Citizens' Association, Committee of Council and Co-operation, Massachusetts Prison Association, Massachusetts Society for the Prevention of Cruelty to Children, Medico-Psychological Society, Merchants' Municipal Committee, Municipal League, Society of St. Vincent de Paul, Suffolk District Medical Society, Twentieth Century Club, United Hebrew Benevolent Association, and Young Ladies' Aid Society. The board was divided into four committees, of five members each, upon children's, insane, pauper, and penal institutions, respectively. Meetings of the whole board, at which the commissioner and the mayor together with the representatives of the institutions have been present, have been held once a month at City Hall, and formal reports, making valuable recommendations upon many important matters, have been presented from time to time by the different committees. The mayor holds that humanitarian management of the public institutions upon a scientific basis is not inconsistent with true economy. An important feature of the work of the year has been a thorough, scientific examination of the dietaries and cooking arrangements of the different institutions. The mayor expects that this investigation will be productive of excellent results, and possibly of some saving in the cost of subsistence. He says: "Modern chemistry is placing the whole matter of nutrition and cooking upon a scientific basis, and the city, which constantly feeds several thousand persons in its various institutions, should fully avail itself of the results of scientific inquiry in this field."

Railway Subway. The great subway, under construction by the city for the transfer of the street railway traffic from the surface underground through the congested district, has been leased to the West End Street Railway Company for twenty years, on terms that assure the payment of the interest and sinking-fund charges, so that the city gets this important work practically for nothing. It is also

provided that, when the number of cars daily passing through the subway exceeds a certain number, the city shall receive a toll of five cents for each trip; that is, ten cents each round trip. The lease conveys the right to sub-lease the subway for other purposes, such as the passage of wires, conduits, etc. The company is obliged to maintain the subway and deliver it at the end of the lease in as good condition as when it was received. The lease was made by the Transit Commission with the approval of the Railroad Commission. A lease for so long a period was strongly objected to by many municipal reformers.

San Francisco.*—*New Charter.* Since the Consolidation Act of 1856 the government of the city and county of San Francisco, has been one until October of last year, when a majority decision of the state supreme court made it dual; transferring to the county, under the General County Government Act, all the offices not expressly reserved to the municipality by the Consolidation Act of '56. This ruling, defining the county clerk, sheriff, superintendent of schools, recorder, public administrator, assessor and coroner to be county officers; and the mayor, board of supervisors, school directors, auditor, tax collector and treasurer to be city officers, was subjected to a good deal of criticism from members of the bar, while to ordinary laymen it was simply bewildering. To them it naturally enough occurred that if there were to be any distinctively county officials, the supervisors would take first place.

The first result of the decision was a state of chaos. The General County Government Act provides that certain officials who have deputies and clerks, are to be paid fixed sums for their departments, out of which they are to pay their assistants. In San Francisco, the county clerk, for instance, has quite an army of deputies and clerks paid out of the city treasury, while his own salary is the same as is paid the heads of other bureau departments. A recent addition to the County Government Act extended the terms of county officials from two years to four years, while in San Francisco we have gone on electing all our bureau officials (excepting assessor) each second year.

When the supreme court took this view it was thought by some that if the county clerk, for instance, was judicially elected for an additional two years under the County Government Act, the other features of the act ought also to apply, and he should pay his army of helpers, or so many of them as he might find actually necessary under such a régime, out of his personal appropriation of \$4000 per year. The confusion which resulted from the decision, rendered

*Communication of I. T. Milliken, Esq.

about three weeks prior to the November election, served to stimulate advocates of the proposed new charter to be voted upon at that election by the electors of the city and county. It was with a view to making the army of officials at the City Hall workers for instead of against the charter that it was seriously proposed to enjoin payment by the city of the salaries of these deputies and clerks. A succession of rather startling rulings in the last year or two have largely solidified sentiment in favor of some system of municipal government not so much dependent upon supreme court decisions. Discussion of the proposed charter in the last six months had developed some imperfections, a few errors, and some omissions. In spite of all efforts it was defeated at the polls. Probably the most potent factor in its defeat, was a few words in its provisions regarding public schools, as follows:

"The Board of Education shall not appoint any person to be a teacher in the primary or grammar classes of the schools of the city and county except upon competitive examination of those persons holding teachers' certificates, and who have been educated in the public school system of the State of California."

Discussion of this provision was very bitter—the Catholic church very generally claiming unfair discrimination against parochial and other non-"public" schools.

While the vote of the city was nearly 65,000, the total vote upon the charter was less than 34,000 with 2000 more against than for it. This total vote would have been considerably larger but for an unfortunate, though honest mistake in placing the charter at the head of the municipal ticket, but in such position that it was overlooked and taken as part of the caption to the ballot. An astonishingly large number of voters who were friendly to the charter missed their votes in that way, thus illustrating how easy it is to go astray when going into a booth with a ballot having more than 300 items from which to select.

Although the charter was rejected, an amendment to Section 6 of Article XI of the state constitution was adopted by the voters of the state. This section originally read as follows:

"Corporations for municipal purposes shall not be created by special laws, but the legislature by general laws shall provide for the organization, incorporation and classification, in proportion to population of cities and towns, which laws may be altered, amended or repealed. Cities and towns heretofore organized or incorporated may become organized under such general laws whenever a majority of the electors voting at a general election shall so determine, and shall organize in conformity therewith, and cities and towns heretofore or hereafter organized, and all charters thereof framed or adopted by

authority of this constitution shall be subject to and controlled by general laws."

The amendment which was adopted by the voters of the state at the late election, changed this by interpolating after the words "shall be subject" the words *except as to municipal affairs*.

While the amendment was specially framed to prevent the legislature from interfering by general laws, with a charter which might be adopted by the electors of any city, and particularly of the electors of the city and county of San Francisco, it is plain to be seen that the failure of the charter to carry, contemporaneously with the adoption of the amendment and the said ruling of the supreme court, giving us a dual local government, has placed the municipality of San Francisco in an uncertain and in many respects unfortunate position. The amendment does furnish encouragement for another attempt to adopt a new charter. It is probable that the movement will be begun very shortly. A special election seems to be the only means of obtaining a clear expression of opinion on the question.

Washington.—Returns from Franchises. A recent communication from the assessor of the District of Columbia shows the return which the city of Washington is receiving from the companies enjoying municipal franchises. In examining the list of payments, it is interesting to note that Washington is one of the few cities receiving a return from telephone and telegraph companies. The payments of the street railway companies cannot be fairly compared with the returns in other cities, owing to the fact that the tax on gross earnings is, in many of the cities, a state tax; the license and other franchise returns being levied in addition by the municipalities. In the District of Columbia, this tax on gross earnings and capital stock is at once a state and local tax. The returns for the year 1896 are as follows:

CORPORATE TITLE.	ASSESSMENT.		Rate of Taxation.	Tax.
	Capital Stock.	Gross Earn'g		
Anacostia & Potomac River Railway Co.		45,905	2 per cent	\$ 918.10
Brightwood Railway Co.		37,746	4 "	1,509.85
Capital Traction Co.		797,092	4 "	31,883.68
Columbia Railway Co.	283,897		\$1.50 per 100	4,258.46
Eckington & Soldiers' Home Railway Co.		111,464	4 per cent	4,458.56
Georgetown & Tennallytown Railw'y Co.		26,109	4 "	1,044.36
Metropolitan Railway Co.	790,620		\$1.50 per 100	11,859.30
Chesapeake & Potomac Telephone Co.	30,000		1.50 "	450.00
Western Union Telegraph Co.	21,000		1.50 "	315.00
Washington Gas Light Co.	1,154,341		1.50 "	17,315.12
Georgetown Gas Light Co.	99,442		1.50 "	1,491.63

Total Payments of Railway, Telegraph and Telephone Companies, \$75,504.06

Cleveland.*—*The City Charter.* Prior to 1891, Cleveland suffered from a total lack of unity or system in the machinery of administration. The legislature, from time to time, at the instance of local politicians or because of the demands of some temporary exigency, had superimposed upon the customary framework commission after commission entrusted with certain specific functions. Some were appointed by the governor, some by the mayor and others were chosen directly by the people. As a consequence, there was an overlapping of duties and functions, a hopeless lack of personal accountability and inability on the part of the public to trace responsibility for shortcomings. In 1887 the evils had grown so flagrant that the Board of Trade took the matter of reform in hand and drafted a charter. At once the enginery of the politicians was set in motion to secure the defeat of the measure, and for some time they were successful. In 1890, through one of those changes in the complexion of politics, so frequent in Ohio, a Democratic legislature was chosen, which at the instance of local politicians, aided by the press and backed up by the Chamber of Commerce and the public sentiment of the city, passed a measure which forms the present political framework of the city.

This is what is known as the "Federal Plan," which was adopted by act of the legislature, March 16, 1891. This measure secures:

1. The enlargement and concentration of responsibility in the mayor, aided by six departments, to wit: Public Works, Police, Fire, Accounts, Law, and Charities and Correction. At the head of each department there is appointed by the mayor, by and with the advice and consent of the council, a director, who serves during the term for which the mayor is elected, *i. e.*, two years. The mayor and heads of the departments constitute the Board of Control, and have exclusive executive power and authority within the city, in their respective departments. They receive liberal salaries and are required to devote their entire time and attention to the city's affairs.

The Board of Control, consisting of the mayor and the heads of the six departments, including the director of law, is the real executive head of the city, and corresponds roughly to the administrative arrangement in vogue in German cities. The Board of Control, in addition to matters germane to its several departments, has general powers of revision of ordinances which are referred to it by the Common Council. It may approve, modify or substitute ordinances, and defend the same on the floor of the council chamber, but its powers are only consultative as its members have no vote in the council chamber. As a matter of fact the mayor has come to be

Communication of F. C. Howe, Esq.

regarded as the central figure of the system. Being entitled to a seat with his directors, in the weekly meetings of the council, he is able generally, by the judicial distribution of patronage and other means, to so influence legislation as to practically formulate and execute any policy which he desires.

The legislative department of the city is single chambered. It consists of twenty-two members, elected by districts, who serve for the term of two years, one member from each district being chosen each year. Municipal elections are held in the spring and are wholly separated from state and national elections which occur in the fall. By this means the issues are clearly raised and spirited contests usually result. The mayor enjoys the right of veto over all legislation, subject to the passage of the same over his veto by a two-thirds vote.

Despite the improvement which has come about since the adoption of the new charter, it is manifest that city government is a problem of men, not of system. Hardly had the system been put into operation when it became an object of suspicion. Drafted with the idea of obtaining relief from outgrown commissions, it was soon seen that it failed to offer all that was expected of it. Refuge was again sought in the voluntary citizens' commission, and the Sinking Fund and Park Commissions have since been created and filled with citizens of irreproachable character and devoted to the public interest. Under the Park Commission, Cleveland is developing a magnificent park and boulevard system, and the city has been enriched by gifts which give the city a continuous park system in the east end.

While charges of wholesale corruption have not been made against officials and while a higher grade of officials have been chosen than in many of our municipalities, there has been a growing restlessness for several years because of the dominion of politicians, ring contractors, dishonest franchise granting and the spoils system. This spirit developed into the Civic Federation in 1894, which endorsed candidates in the spring election of 1895, was unsuccessful and has since ceased to exist. Nothing by way of voluntary association was done from then until December last, when there was organized among the business men of the city an organization known as the Municipal Association, whose objects as set out in the constitution are as follows, to wit:

"To disseminate instructive information relative to the government of the city of Cleveland; to devise and advocate plans for its improvement; to promote business-like, honest and efficient conduct in municipal affairs; to promote the choice of competent officials; to encourage faithful performance of public duty; to secure the enactment and enforcement of laws for the economical, intelligent and progressive management of the affairs of the city government."

The association is open to all citizens or taxpayers, and the membership fee is \$1.00. It does not aim to be representative of wards or

districts. It is governed by a general committee of fifty chosen by ballot from all the members of the association, and more directly by an executive committee of ten. It has a paid secretary, commodious meeting rooms in the central part of the city, and in the coming spring election proposes to disseminate information through the press and its own publications relative to the character and qualifications of candidates for office. Efforts are being made with considerable success to enlist the co-operation of the working classes and to bring before the attention of the people the necessity of civil service reform. The city has suffered greatly from the spoils system, and the various allied societies of the city contemplate a vigorous campaign before the next legislature to secure the passage of a civil service law based on the merit system.

An examination of the Departments of Public Works, Charities and Correction and Police shows the extent to which the power of removal of employes in these departments during the year 1895 has been exercised. From this it appears that out of a total of 468 persons whom the directors had unrestricted power to remove all but 110, more than three-fourths, were removed that year from the city service.

The coming spring campaign is of special importance to the city from the fact that the incoming administration will probably be called upon to grant a franchise to the combined street railway systems of the city under the so-called Rogers Law, which provides for an extension of existing franchises for fifty years on terms of universal transfer. The statute further provides for a reappraisal of the value of the franchise at the end of twenty years and each fifteen years thereafter. Candidates are being asked to express themselves as to their position upon the railway question, and certain ward Republican organizations have pledged their candidates to accede to no terms less than four cent fares and 25 per cent of the gross receipts, while several Democratic candidates have announced themselves in favor of municipal ownership of the entire system. This promises to be the prominent issue in the campaign, as the labor organizations have quite uniformly arrayed themselves on the side of municipal ownership. As they form a large and uncertain voting element, they are likely to play an important part in the campaign.

The City's Gas Charter.—Since 1891 the city has been relieved from recurring charges of corruption relative to deals between the city officials and the two gas companies in the city. At that time the city council undertook to reduce the price of gas to consumers to sixty cents per 1000. The matter was carried to the courts, who held that the city possessed the right to regulate charges for gas, but that such regulation must be reasonable. As a result of the controversy the

gas companies proposed by way of settlement, that for ten years the price of gas be eighty cents per thousand cubic feet, that the companies pay six and one-half per cent of the gross receipts from sales of gas into the city treasury. It was further provided that the companies make sworn statements every six months as to their receipts, and keep proper books showing in detail the quantity of coal and other material consumed, number of cubic feet of gas manufactured, number of meters in use. The books were to be open to the city auditor, and the city was authorized to appoint at any time a competent person to make a thorough investigation of the books. The gas must be of merchantable quality of not less than eighteen candle power, to be determined by monthly average of semi-weekly tests.

The companies also agreed to assume all of the court costs arising from litigation.

Since the passage of this ordinance, the city has enjoyed excellent gas service; the corporations have been able to declare regular six per cent dividends, and the public press has been free from the recurring charges of bribery and corruption so prevalent during the preceding years when the gas company was the favored object of assault. During the three years extending from 1893 to 1895 the receipts to the city from the six and one-half per cent payment of gross receipts has been as follows:

1893	\$42,113.00
1894	45,044.48
1895	50,445.96
Total	\$137,603.44

Buffalo.*—Good Government Clubs. Last winter the constitution of the Council of Confederate Good Government Clubs, of Buffalo, was amended so as to extend its sphere of activity to matters affecting the county of Erie as well as the city of Buffalo. The reason for this extension was that many of the county institutions, such as the almshouse, penitentiary and jail, are located in Buffalo, and there was reason to believe that great laxity, if not corruption, prevailed in their management. A committee of fifteen was appointed to investigate the management of the almshouse in particular, and their studies were quietly continued during the summer. The first results of the investigation have just been made public through an investigation held by the Police Court of Buffalo, upon information made and sworn to by a member of this committee, which alleged fraud, grand larceny and perjury on the part of eight members of the Board of Supervisors. The supervisors concerned have been arrested and held to bail for the action of the grand jury. The counsel of the Good Government

*Communication of A. C. Richardson, Esq.

Clubs assert that this is only the beginning, and that much more interesting facts will soon be brought to light. These discoveries are regarded as extremely opportune, for the election next fall will be exclusively municipal—the first of the kind since the new state constitution took effect. It is connected with county affairs, however, by the choice of a supervisor for each ward of the city. The Good Government Clubs took no part whatever in the last election, as no municipal issues were involved, but their great opportunity is at hand. Their organization has been maintained, and it will probably lead to better nominations on both sides than usual.

Public Schools. A bill has been introduced into the legislature abolishing the "annual contract" system for teachers in the public schools. If it becomes law, all appointments hereafter will be of indefinite duration, and the removal of a teacher will be a positive act on the part of the superintendent, for which he must place reasons on file in his office. He will no longer be able to remove good teachers by simply omitting to renew their contracts, as heretofore, nor to retain poor or unfit ones under the excuse of a contract. The teachers, moreover, will be relieved of the annual uncertainty about the retention of their positions, which naturally causes great anxiety toward the close of the school year.

FOREIGN CITIES.

English Cities.—*Municipal Legislation.* With each succeeding year legislation for cities is demanding the attention of the committee of Parliament to an increasing extent. Were it not for the system of private bill legislation, under which the greater part of such bills are classed, little time would remain for the more general public work of Parliament.

In a recent summary of such legislation now before Parliament,* the great diversity of interests involved is clearly shown. It illustrates at the same time the rapidity of the extension of municipal functions throughout England. At the present time, the movement toward municipalization of tramways is especially noticeable. The success of Glasgow, Huddersfield, and the more recent experience of Sheffield in direct municipal operation, and the likewise favorable results obtained by Manchester, Birmingham, Leeds and Bradford, where a combination of municipal ownership of the lines and rental of operation has been adopted, have acted as an incentive to other cities. Liverpool, Manchester, Southampton, Swansea, Birkenhead, Leicester, York and Nottingham have applied for power to operate

* London, January 21, 1897, p. 33.

directly the street railway system of their respective districts. Bradford, Halifax, Blackpool, Leeds, Bolton, Morecambe, Sheffield, Salford, Moss Side, Newport, Rathmines and Reading have applied for power to make extensions, and to change the motive power to electricity.

A great number of bills asking for power to establish a system of municipal electric lighting have been introduced. Some twenty-five municipalities are anxious to establish municipal electric light plants. Again, five municipalities have signified their intention to take advantage of the municipal lodging-house provisions of the Housing of the Working Classes Act. Model dwelling houses are to be constructed in a large number of cities, the present plan of Edinburgh being probably the largest of the series.

Glasgow.—*Street Railway System.* A report recently presented by a sub-committee of the Tramways Committee, presents a description of street railway traction and operation in the leading American cities. Before deciding upon the change of motor power from horse to cable or electrical traction, the Town Council empowered the Tramways Committee to send a delegation to the leading cities of the continent and to the United States, to examine into the street railway systems of the larger cities. Early in 1896 an elaborate report on the street railway systems of continental cities was presented; the present report represents the results of the committee's investigations in the United States. The experience with the different systems of traction is examined with great care. In its conclusions the committee decides in favor of the overhead electric system. As a result of such a change, 50 per cent could be added to the time-table speed, with a reduction of at least 15 per cent in cost of operation. Examining this question from the point of view of the needs of the city, the necessity for a system of rapid transit is conceded without dissent. Historical causes, combined with the undeveloped condition of railway communication, have led to a congested condition of all the larger cities of England and Scotland; this is especially true of Glasgow, where, in some parts, the density of population is greater than in any of the continental cities. The city has been expending large sums in clearing these unhealthy areas. The high price of the property thus cleared makes it impossible to construct thereon dwellings suitable for the laboring classes; as a result, the displaced population tends to overcrowd adjacent central districts. One of the first effects of an improved system of communication with one, two and three cent fares, will be to spread this population in the suburban districts, especially if the municipality adopts the policy now in contemplation of building laborers' dwellings in these outlying districts.

Birmingham.—*Housing of the Working Classes.* The activity of English municipalities under the Housing of the Working Classes Act continues with unabated vigor. Additional powers are being continually asked for from Parliament. During the year 1897, the city of Birmingham proposes to carry out a large scheme for the extension of the municipal model-dwelling system. Recently a series of tenements containing 103 dwellings has been completed. The one great difficulty with which all municipalities have had to contend, has been to provide sanitary tenements for the lower class of unskilled laborers, the class unwilling to expend more than three or four shillings a week in rental. For this class the city has, as yet, done nothing. A recent decision of the council has brought the municipality face to face with this problem. Dwellings arranged on the tenement plan, containing two bedrooms, a living room and a scullery, are to be erected at a cost of over \$30,000. The rentals are to range from 3s. 9d. to 4s. 3d. per week. The council proposes to begin on this small scale as an experiment, to be extended if successful. It is to be noted that in dwellings of this character, most of the English cities have abandoned the idea of obtaining anything like the ordinary rate of interest on the investment. For instance, in this particular case the site is not included in the capitalization upon which return is expected.

SOCIOLOGICAL NOTES.

Department of Public Charities in New York City.—There is in New York an active private organization, known as the New York County Visiting Committee, which has for its object the regular and systematic visiting of all the wards of the New York City institutions under the control of the Commissioners of Public Charities and Correction, with a view to the mental, moral and physical improvement of the inmates, and to bring about such reforms in these institutions as may be practicable. This committee is composed of men and women who devote their time to the work, pay their own expenses, and contribute in addition a membership fee of \$2.00 per year which defrays the general expenses of the committee. It works under the control and by the direction of the State Charities Aid Association, of which it forms a part and to which it makes monthly and annual reports. The committee is sub-divided into an executive committee and a large number of special committees for the supervision of different institutions and of particular wards within each of these institutions. It was the State Charities Aid Association which was largely instrumental in securing the passage of a law, separating the administration of the charitable institutions of New York City from that of its penal institutions. Such an act became law on March 11, 1896, and took effect immediately. In making its annual report to the State Board of Charities, the State Charities Aid Association prepared an elaborate statement for the year ending October 1, 1896, of the condition and historical development of the various institutions under its inspection. This report has been adopted by the New York County Visiting Committee as its Twenty-fourth Annual Report, and may be obtained from the State Charities Association, United Charities Building, New York City.

In the historical sketch for the period from 1816 to 1896, it is stated that during the first half of the present century the policy of New York City seemed to be to associate its dependents and its criminals more and more closely. An almshouse and a prison were erected in 1816 on the ground where Bellevue Hospital now stands, and a city hospital was added to these institutions in 1826. A penitentiary was erected on Blackwell's Island in 1826, and in 1848, in order to furnish additional hospital facilities, a hospital was built in close proximity to it. A new almshouse was built in the same year on Black-

well's Island just above the penitentiary grounds, and the workhouse for minor offenders, established in 1849, was placed between the almshouse and the lunatic asylum which had been erected near the upper end of the island in 1835. Frequent interchange of services, in the form of work performed by such inmates of the almshouse and prisons as were able to do any work, took place, and a certain measure of economy combined with very inefficient service characterized the administration of this heterogeneous group of institutions.

About 1850 public sentiment was aroused and demanded the gradual withdrawal of prisoners to the correctional institutions in which they properly belonged, and the substitution of paid help in charitable institutions. Still, in 1875, the New York County Visiting Committee in its Third Annual Report, stated that "the pauper children at Randall's Island, 1200 in number, are placed in daily contact with the most abandoned women of the city, women convicted in the police courts for drunkenness and debauchery, and sentenced to the workhouse for six and three months." Soon after the date of this report, the legislature directed public authorities to adopt the placing-out system in the care of children, and stipulated that the city should not retain in its charge any children, sound in mind and body, over two years of age.

It has been found that under the oversight of competent employees, the insane inmates may be allowed a sufficient amount of freedom to do a large amount of the work connected with the asylums, and thus prisoners have been gradually withdrawn from the asylums, not only from the wards, but from the laundry, kitchen and elsewhere. On October 1, 1895, although the inmates of the penitentiary were no longer sent to the other institutions except occasionally when carpenters, mechanics and plasterers were needed, large numbers of workhouse prisoners, both male and female, were still transferred to the hospitals and utilized as night watchmen, cleaners, kitchen and laundry help, clerks, messengers, etc. The population of the department had increased from 5405 in 1850, to 16,649 in 1895, and the three seats of institutions, charities, prisons and asylums for the insane, remained under a common administration and drew their funds from a common treasury. The new law provided that after the first of January, 1896, correctional institutions should be placed in a separate department, and that prisoners should not be employed in any capacity whatever in the wards of any hospital. This was as far as it was thought wise to go for the present in prohibiting prison labor in charitable institutions.

The legislation secured last year provides also that the state shall

assume the care of all the dependent insane of New York City, numbering about 6800. The separation of charities from correction and this transfer of the asylums for the insane to the state, leaves the Department of Charities with a population much less than one-half of the former Department of Public Charities and Correction. The number of inmates and employes in institutions under the Department of Public Charities and Correction on October 1, 1895, was 17,213, and the number (not including workhouse helpers) in the institutions under the Department of Charities on October 1, 1896, was 6744, and in institutions under the Department of Correction, 3614.

The results of the separation of charities from correction that were confidently expected were, first, larger appropriations for the charities and, as a consequence, better food, better nursing, better clothing, better buildings; second, a closer supervision over each institution leading to better order and cleanliness, a larger measure of comfort for the inmates and greater economy of administration; third, a better comprehension of the principles which underlie the administration of charity resulting in more rigid investigation of applicants for relief, better classification of inmates, and the encouragement of self-respect and self-support instead of the fostering of pauperism.

The report of the State Charities Aid Association shows that this was "a fundamental change which made possible and prepared the way for more efficient administration in every direction. The full fruition of such a movement could not, under any circumstances, be realized in a single year. It has happened that during the past year several circumstances have delayed certain improvements which might otherwise have been realized in even so short a time. Among these obstacles have been the failure of the city to sell its bonds, resulting in delay in providing new buildings; the necessity for radical alterations in the steamboats which delayed for half a year the use of separate boats by the departments; and the lack of suitable sleeping quarters for paid employes for the wards of hospitals. . . . We are able within the first year to report that the beginnings of nearly all of these desirable improvements have been made or are already in sight."

Mr. Homer Folks, the Secretary of the State Charities Aid Association, who signs this report on behalf of his association, has in addition to the material just discussed, furnished in this report a careful examination of all these points in detail, considerable statistical information, the text of the new laws for the separation of the departments, and the concise statement concerning each institution under the supervision of the association.

College Settlement Kitchen and Coffee House in Philadelphia.

—So many interesting problems arise in connection with the efforts made to furnish the poor in large cities with proper and nutritious food, and more especially with the efforts to teach them how to provide the same for themselves, that the experience of the so-called scientific kitchens is of exceptional importance. The Philadelphia Kitchen, like others, is conducted on strict business principles, and is in no sense a charity. In general, however, it finds it difficult to compete with the low-class eating houses, and, at the same time, do an educational work in convincing its patrons of the kinds of food they should eat. The educational work must always be the more important, if the scientific kitchen adheres to its mission, even though the business results are sometimes discouraging.

In the First Annual Report of the Philadelphia Kitchen, it is stated that 21,332 penny lunches were sold during the year; 1079 meals in the month of February, and 2928 in June. An analysis of the customers in the month of June is given as follows:

1041 colored men	290 colored women
1239 white men	314 white women
44 foreigners.	

It may be stated that the kitchen is located in a section of the city with a large colored and foreign population, but that the foreign population is largely Hebrew.

Professor Atwater gives the following analysis of necessary food elements based on his investigation :

	<i>Proteids.</i>	<i>Fats.</i>	<i>Carbo-hydrates.</i>
American laborer at hard work	5.3 OZS.	5.3 OZS.	17.6 OZS.
Working woman	3.5 "	3.5 "	12.7 "
Child of five years	1.9 "	1.4 "	8. "
Children between 6 and 12 years	2.5 "	1.5 "	11.4 "

With these tables in view, the following is given as a sample menu by those in charge of the kitchen:

BREAKFAST.

Corn-meal Mush, with Milk,
Coffee, with Milk and Sugar.

DINNER.

Irish Stew of Beef and Potatoes, flavored with Onion.
Bread. Boiled Rice, with Sugar.

SUPPER.

Baked Pork and Beans.
Bread.

It should be said that this menu is intended for a family consisting of five persons—father, mother and three children, aged, say, five,

eight and ten years, for which, according to Professor Atwater's estimates, there is needed daily:

<i>Proteids.</i>	<i>Fats.</i>	<i>Carbo-hydrates.</i>
15.9 OZS.	13.2 OZS.	61.1 OZS.

The following table gives the quantities of material, the analysis of each article, and the approximate price:

ARTICLE.	Amount.	Proteids.	Fats.	Carbo-hydrates.	Approximate cost.
		<i>Ozs.</i>	<i>Ozs.</i>	<i>Ozs.</i>	
Corn meal	1 lb.	1.57	.60	9.75	\$.025
Milk (quart)	2 "	1.16	1.22	1.64	.07
Beef (flank)	2 "	5.31	1.02	. . . . .	.16
Flour	2 "	3.84	.48	22.88	.05
Potatoes	2 "	.64	. . . . .	6.72	.05
Rice	½ "	.59	.03	6.35	.035
Onion	one.	. . . . .	. . . . .	. . . . .	.01
Sugar	½ lb.	. . . . .	. . . . .	7.92	.03
Pork	¾ lb.	.36	9.37	. . . . .	.075
Beans	1 lb.	3.68	.32	8.55	.05
Coffee	2 OZS.	. . . . .	. . . . .	. . . . .	.04
Total		17.15	13.04	63.81	
Required		15.9	13.2	61.1	\$.955

The beef used for the stew is cut from the flank. The bread is home-made, one pound of flour making a pound-and-a-quarter loaf, the flour being purchased by the fifty-pound sack. The cent's worth of onions used for flavoring is not analyzed as its food value would be small. The coffee contains no nutritive element whatever, but the milk and sugar used are reckoned. The fats fall about two-tenths of an ounce below the required standard, but this is more than balanced by the excess of proteids and carbo-hydrates. Miss Katharine B. Davis suggests in connection with this report, that while large variations should be avoided, slight deviations must occur from day to day.

Statistics of Charities in London.—*The Charity Organization Review* of London, gives in its January number, which begins a new series and a new volume of this publication, the following summary taken from Howe's Annual Statistics, dealing with the charitable statistics in the metropolis. The approximate income of charities having headquarters in London, is stated to be £5,659,420. This includes missions, Bible societies, and church and chapel building funds, which estimated at £2,496,147, leaves a balance of £3,163,273 for charitable institutions and agencies. Out of 996 agencies reported, 229 omit to state their income. These figures, in general, must be taken as only approximate, because in addition to this omission the ordinary charities of church and chapel and the volume of personal almsgiving are not included.

The bill for medical and surgical relief is reckoned at £874,835, but the magnitude of this department can perhaps be illustrated better by other figures. The number of hospital beds (not all occupied) is 9637, in addition to 13,104 beds in Poor Law infirmaries, and 6014 in hospitals under the Metropolitan Asylums Board. Institutions are also in course of construction which will contain 1048 more beds.

The number of in-patients treated at voluntary hospitals was 96,572, the number of out-patients treated at 115 hospitals and 47 charitable dispensaries was 1,799,966. The number treated at the Poor Law dispensaries cannot be exactly stated, but 132,645 medical orders were issued in 1895. Each of those orders may represent an individual or several members of a family. Reckoning them all as single orders, we get a grand total of 1,932,611 persons, or upwards of 43 per cent of the population treated in the course of the year in out-door casualty departments. No doubt some of these are country patients seeking special advice, and some patients are counted several times as they wander from institution to institution; but when all allowances are made, the total remains enormous.

The Charing Cross Hospital is making a special appeal for £100,000, in which it is stated that "the present income is hopelessly inadequate. The hospital has no reserve fund, and its buildings are heavily mortgaged." Other hospitals are in like straits. On the other hand, general practitioners complain that the out-patient departments rob them of their patients, and it is notorious that a good deal of charitable money is wasted upon private adventure hospitals. What is obviously wanted is better organization of the medical charities, and the establishment of a representative Central Board commanding the confidence of the hospital authorities and of the general public.

Co-operation in England.—The Twenty-eighth Annual Co-operative Congress, held at Woolwich on May 25 to 27, 1896, brought together the latest reports of the condition of co-operation in England, and the published proceedings of this congress make a good-sized volume.

The report of the Central Co-operative Board usually gives a good summary of the existing status of the movement. The analysis of the registrar's returns for 1894 shows more complete statistics than for preceding years. The total number of distributive societies in England and Wales, according to this report, is 1179, and productive societies 130. There are 3 classed as miscellaneous, making 1312 in all, with a total membership of 1,068,961 persons. The sale of goods amounted to more than £39,000,000, netting over three and a half million pounds profit. Of the productive societies, those engaged in

manufacturing are the most numerous, constituting two-thirds of the total; 23 of these are engaged in wood and metal work, and 31 in leather goods.

Scotland reports 316 distributive societies and 7 productive ones, and in Ireland there is a total of 42 societies. In addition to these societies for carrying on trades and industries, there are 86 societies in England and Wales, 8 in Scotland, and 1 in Ireland classed as Societies for Carrying on Business, and also 96 societies in England and Wales and 17 in Scotland classed as Land and Building Societies. The grand total for Great Britain and Ireland for 1894 and 1895, respectively, is summed up as follows:

	No. of Societies.	Members.	Shares. £	Sales. £	Profits. £	Invest- ments. £
1894.	1,674	1,343,518	15,006,663	49,985,065	4,911,299	7,780,452
1895.	1,711	1,414,158	16,164,667	52,512,126	5,397,582	9,661,420

The totals for 1895 are made up as follows:

	Members.	Shares.	Sales.	Profits.
Wholesale Societies	1,316	805,456	13,591,378	337,224
Retail Societies	1,314,093	14,138,107	34,224,815	4,892,713
Productive Societies	25,839	695,822	2,238,641	106,749
Supply Associations	72,773	524,741	2,391,577	60,441
Special Societies	144	541	65,715	435

The special committee on profit-sharing and conciliation reported that it had made a systematic attempt to fix a hard and fast line as to what is profit-sharing, and how it is to be carried out. It states that in its opinion there are many ways in which an equitable alliance between the worker, the consumer and the capitalist may be brought about, and to this end the committee recommend that the congress adopt the following as a basis for general agreement:

"I. That the object of co-operation is to utilize the capital of co-operators by employing it in co-operative industry for the production and distribution of all the requirements of co-operative societies and the public generally under equitable conditions as regards labor and remuneration.

"II. That in connection with all co-operative enterprises, whether distributive or productive, there should be set apart some portion of the profits as they arise, for the purpose of making some provision for the workers over and above such remuneration as they would receive in ordinary competitive workshops.

"III. That such portion of the profits may be used for the benefit of the workers, either (1) by way of increasing their remuneration; (2) by enabling them to become shareholders; (3) by providing superannuation or pensions in old age, under such conditions as the society concerned may fix from time to time."

The report also states that the following is a list of the new pamphlets which have been published since the last congress:

- "Presidential Addresses at Huddersfield." No. 1.
- "Co-operative Agriculture," by Mr. D. M'Innes. No. 2.
- "The Machinery of Our Movement," by Miss C. Webb. No. 3.
- "The Co-operative Insurance Company," by Mr. J. Odgers. No. 4.

It is also stated that the committee is engaged in the compilation of a new and improved edition of the "Co-operative Directory," which it is hoped will be ready by the end of the year. A list of the publications which are sold and given for the purpose of furthering the co-operative movement, is included in one of the appendices to the report of this committee.

Association of Collectors of Cigar Clippings in Berlin. *—Such a society, known as the *Verein der Sammler von Cigarren Abschnitten*, was founded in 1865. The members have placed boxes in various public places, especially in cigar stores, for the preservation of the ends which are cut off cigars. These are gathered up periodically and sent to the headquarters of the society. At the present time from five to six hundred kilograms of these clippings are received yearly, and are sold at a price varying from fifty to sixty marks for fifty kilograms. The cuttings are sent to seaports and sold to sailors for pipe tobacco. The object of the saving and collection of this otherwise waste product, is a charitable one, and from the proceeds Christmas gifts are sent to some fifty or sixty children of poor people in Berlin. The articles sent consist chiefly of clothing and other useful things. Beside the operations of this society, cigar clippings are collected for at least one orphan asylum in another part of Germany.

College Courses in Sociology.—In the second volume of the Report of the Commissioner of Education for 1894-95, is to be found a reprint of an article by Daniel Fulcomer, which has appeared also in the volume of Proceedings of the Twenty-first National Congress of Charities and Correction, 1895, on "Instruction in Sociology in Institutions of Learning." One hundred and forty-six colleges and universities replied to the inquiries sent out by the author, and twenty-nine of these have regular courses in Sociology, using the word in the lower sense to include Charities and Correction; while twenty-four have Sociology proper, defining the term as the Study of Society. A historical sketch of the growth of studies in this line and the interest manifested in their election by students is given; also, there is some description of the courses and a more detailed analysis of those courses dealing with Charities and Correction, and in conclusion, statistics relating to most of the colleges of the country.

* From information received from Dr. Ernst Freund, of Berlin.

Negro Education.—The second volume of the Report of the Commissioner of Education for 1894-95 contains also two chapters devoted to the question of Negro Education. The first one, entitled "Education of the Colored Race," is a historical and statistical review of the schools and colleges which exist chiefly for negroes. To this chapter is appended the text of Booker T. Washington's address on "Industrial Education of the Blacks," made at a dinner in honor of Alexander Hamilton, in Brooklyn, N. Y., January, 1896, and also the text of an address delivered before the American Baptist Home Mission Society at Asbury Park, N. J., May 26, 1896, by Dr. Edward C. Mitchell, of Leland University, New Orleans, La. His topic was "Higher Education and the Negro."

The second chapter referred to is entitled, "The Slater Fund and the Education of the Negro." It is a compilation of the material presented in the six "Occasional Papers," which have been published by the trustees of the John F. Slater Fund. These papers are as follows:

- I. "Difficulties, Complications and Limitations Connected with the Education of the Negro." By J. L. M. Curry, LL. D.
- II. "Education of the Negroes since 1860." By J. L. M. Curry, LL. D.
- III. "Occupations of the Negroes." By Henry Gannett.
- IV. "A Statistical Sketch of the Negroes in the United States." By Henry Gannett.
- V. "Memorial Sketch of John F. Slater."
- VI. "Documents Relating to the Origin and Work of the Slater Trustees, 1882 to 1894."

Negro Department of the Tennessee Centennial.—The success of the Negro Department of the Atlanta Exposition has led to a well-organized effort which is being made to make a similar department a striking and helpful feature of the Tennessee Centennial, which opens May 1, 1897. Among the negro officers in charge are: Richard Hill, Chief; W. L. C. Moseley, Secretary of the Executive Committee, and Mrs. J. C. Thompson, President of the Woman's Board. Mr. Hill has already begun, with the January number, the issue of a Negro Edition of the *Centennial News Bulletin*. This Bulletin contains much information concerning the negro in the South which will interest those who study the negro question. Those who desire to take any part in the organization of this department, or the furthering of its aims, should communicate with Mr. Hill at Nashville, Tenn.

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